The Corporation of
the City of Thunder Bay

Financial Statement
Auditor's Report
and
Financial Information Return
for the year
Ended
December 31, 1987.

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THE CORPORATION OF THE CITY OF THUNDER BAY

DECEMBER 31, 1987

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AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Members of Council, Inhabitants
and Ratepayers of The Corporation
of The City of Thunder Bay

We have examined the consolidated balance sheet of The Corporation of The City of Thunder Bay as at December 31, 1987 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of The Corporation of The City of Thunder Bay as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

CONSOLIDATED BALANCE SHEET

CITY OF THUNDER BAY

as at December 31, 1987

	1987	1986
ASSETS	$	$
Unrestricted		
Cash	15,897,335	10,259,735
Taxes Receivable	3,181,031	3,420,755
User Charges Receivable	2,147,517	1,846,274
Accounts Receivable	13,964,837	11,509,419
Other Current Assets	2,269,842	2,045,051
Long Term Receivables	40,000	40,000
	37,500,562	29,121,234
Less: Allocated as Restricted Assets	(6,639,528)	(5,264,729)
	30,861,034	23,856,505
Restricted		
Cash	12,233,693	12,448,590
Accounts Receivable	189,332	35,529
Other Current Assets	159,733	144,058
Investment in Own Debentures	12,304,500	10,252,900
	24,887,258	22,881,077
Add: Allocated from Above	6,639,528	5,264,729
	31,526,786	28,145,806
Capital Outlay Financed by Long Term Liabilities And to be Recovered in Future Years (note 7)	38,368,235	38,905,060
	100,756,055	90,907,371
LIABILITIES		
Accounts Payable and Accrued Liabilities	11,181,795	11,454,985
Other Current Liabilities	539,474	402,584
	11,721,269	11,857,569
Net Long Term Liabilities (note 7)	38,368,235	38,905,060
FUND BALANCE AT THE END OF THE YEAR		
To be Used to Offset Taxation or User Charges (note 8)	8,937,196	5,311,085
Unexpended Capital Financing (notes 8,14)	4,330,724	1,640,057
Reserves (notes 8,9)	5,953,259	5,234,368
Reserve Funds (notes 8,9)	31,445,372	27,959,232
	100,756,055	90,907,371

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF OPERATIONS

for the year ended December 31, 1987

CITY OF THUNDER BAY

	Revenue Fund		Capital Fund	Reserve Funds	Reserves	1987 Total	1986 Total
	Budget	Actual	Actual	Actual	Actual	Actual	Actual
Sources of Financing	$	$	$	$	$	$	$
Taxation and User Charges							
Residential and Farm Taxation	23,961,600	23,962,841				23,962,841	21,782,991
Commercial, Industrial & Business Taxation	25,362,900	25,765,423				25,765,423	23,630,730
Current Years Tax Write-Offs		(192,897)				(192,897)	(84,116)
Taxation from Other Governments	4,487,900	4,630,300				4,630,300	4,114,641
User Charges	22,632,200	22,349,621				22,349,621	20,815,864
Grants							
Government of Canada	12,600	29,841	16,940			46,781	238,389
Province of Ontario	50,004,550	50,414,732	3,571,025	13,000		53,998,757	51,341,723
Other Municipalities	36,400	36,895				36,895	48,204
Other							
Contributions from Developer				183,108		183,108	86,060
Investment Income	1,658,000	2,148,315	1,914	2,548,986		4,699,215	4,554,949
Other	1,706,500	1,972,561	1,252,719	197,859		3,423,139	4,396,517
	129,862,650	131,117,632	4,842,598	2,942,953		138,903,183	130,925,952
Proceeds from the Issue of Long Term Liabilities			3,150,000			3,150,000	2,817,000
Expenditures							
General Government	7,097,106	6,883,310	413,023	581,437		7,877,770	7,736,509
Protection to Persons and Property	24,910,114	25,244,316	984,063			26,228,379	29,226,257
Transportation Services	22,439,778	19,977,239	6,600,826	14,333		26,592,398	26,653,740
Environmental Services	15,504,734	14,777,112	2,482,849			17,259,961	15,882,874
Health Services	1,140,796	1,115,585	4,493			1,120,078	1,138,328
Social and Family Services	30,329,968	30,582,467	719,912			31,302,379	27,957,401
Recreational and Cultural Services	16,332,829	16,334,752	1,946,055			18,280,807	18,925,919
Planning and Development	2,773,675	2,865,940	771,106	19,000		3,656,046	3,612,174
	120,529,000	117,780,721	13,922,327	614,770		132,317,818	131,133,202
Excess of Financing Over (Under) Expenditures Before Extraordinary Item	9,333,650	13,336,911	(5,929,729)	2,328,183		9,735,365	2,609,750
Extraordinary Gain - Settlement of Legal Dispute		786,444				786,444	
Excess of Financing Over (Under) Expenditure After Extraordinary Item	9,333,650	14,123,355	(5,929,729)	2,328,183		10,521,809	2,609,750
Appropriations							
Net Appropriations Between Funds	(12,214,350)	(10,497,244)	8,620,396	1,157,957	718,891		
Fund Balances at Beginning of Year (note 8)	5,317,364	5,311,085	1,640,057	27,959,232	5,234,368	40,144,742	37,534,992
Fund Balances at End of Year (note 8)	2,436,664	8,937,196	4,330,724	31,445,372	5,953,259	50,666,551	40,144,742

The accompanying notes are an integral part of this financial statement.

for the year ended December 31, 1987

1. Accounting Policies

The consolidated financial statements of the Corporation of the City of Thunder Bay are the representation of management, prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

(i) These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves, and include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Thunder Bay Public Library Board
Waterworks Utility
Transit
Parking Authority
Cemeteries
Downtown Business Improvement Areas

All interfund assets and liabilities and sources of financing and expenditures have been eliminated. No loans or advances exist between the reserve funds and other funds of the Municipality, and no interest income and expenditure arising from loans or advances between the reserve funds and other funds of the Municipality was incurred in 1987.

(ii) Non-Consolidated Entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

Thunder Bay District Health Unit
Thunder Bay Area Emergency Measures Organization
The Hydro Electric Commission of Thunder Bay
Telecommunication Department
Thunder Bay Non-Profit Housing Corporation
Thunder Bay Community Auditorium

(iii) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported in the Consolidated Balance Sheet as "other current liabilities" ("other current assets").

(iv) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately in the "Trust Funds Statement of Continuity and Balance Sheet".

1. Accounting Policies (cont'd)

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure in the "Consolidated Statement of Operations" in the year of acquisition.

(iv) "Capital outlay to be recovered in future years" which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported in the "Consolidated Balance Sheet".

2. Operations of School Boards

Further to note 1(a)(iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards, are comprised of the following:

	1987	1986
Taxation	42,719,088	$38,567,014
Payments in Lieu of Taxes	977,275	916,575
	43,696,363	39,483,589
Requisitions	(43,120,855)	(38,988,775)
Payment of Supplementary Taxes	(553,767)	(472,986)
Overlevies for the Year	21,741	21,828
Overlevies (Underlevies) at the Beginning of the Year	11,108	(10,720)
Overlevies at the End of the Year	$ 32,849	$ 11,108

3. Contributions to Unconsolidated Joint Boards

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	1987	1986
Thunder Bay District Health Unit	$ 542,301	$ 523,354
Thunder Bay Emergency Measures Organization	60,850	43,735
	$ 603,151	$ 567,089

The Municipality is contingently liable for its share which is approximately 77.75 per cent of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses of these joint boards is as follows:

	1987	1986
Thunder Bay District Health Unit	$ 6,188	$ 9,456

4. Trust Funds

Trust funds administered by the Municipality amounting to $5,810,103 (1986-$6,011,145) less liabilities of $62,002 (1986-$76,196) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

5. Pension Agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employee plan, on behalf of 1,900 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 1987 was $3,329,966 (1986 $3,063,472) for current service and is included as an expenditure on the Consolidated Statement of Operations. In addition to the above, the Municipality has an obligation as at December 31, 1987 to OMERS for past service pensions in the amount of approximately $6,506,459 (1986-$7,794,121). No provision has been made for this liability as at December 31, 1987. The balance of this liability is to be retired by the following payments out of revenue fund revenues:

1988-1992	5 payments @ $1,210,759	$6,053,795
1993-1998	6 payments @ 75,444	452,664
		$6,506,459

An amount of $1,031,432 (1986-$1,030,028) was paid from general revenues in 1987 and is reported in the "Consolidated Statement of Operations".

6. Liability for Vested Sick Leave Benefits

Employees may become entitled to a cash payment for previously accumulated sick leave benefits when they leave the Municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to approximately $6,274,000 (1986-$6,173,000) at the end of the year.

An amount of $5,619,599 (1986-$5,026,620) has been provided for this liability in a reserve fund and is reported in the "Consolidated Balance Sheet". Provisions were made in prior years which together with interest have accumulated in this reserve fund.

7. Net Long Term Liabilities

	1987	1986
(a) The balance of the net long term liabilities reported in the "Consolidated Balance Sheet" is made up of the following:		
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	$44,744,455	$45,782,876
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards and utilities. At the end of the year, the outstanding principal amount of this liability is	(4,122,643)	(4,616,527)
The balance in the Ministry of the Environment Debt Retirement Fund which has been accumulated to the end of the year to retire outstanding long term liabilities included above amounts to	(2,253,577)	(2,261,289)
Net long term liabilities at the end of the year	$38,368,235	$38,905,060

7. Net Long Term Liabilities (cont'd)

(b) Of the net long term liabilities reported in (a) of this note, $18,063,699 in principal payments are payable from 1988 to 1992, $11,114,374 from 1993 to 1997, and $9,190,162 thereafter and are summarized as follows:

	1988 to 1992	1993 to 1997	1998 and Thereafter	Total
From General Municipal Revenues	$10,827,157	$ 7,341,566	$8,067,362	$26,236,085
From Benefitting Landowners	1,093,739	1,002,836	807,638	2,904,213
From Consolidated Municipal Enterprises	5,619,140	2,658,162	315,162	8,592,464
From Reserve Funds	71,665	28,668		100,333
Ministry of the Environment Debt Retirement Fund				
Principal and Estimated Interest Earned on the Fund				
General Municipal	(33,738)			(33,738)
Municipal Enterprises	485,736	83,142		568,878
	$18,063,699	$11,114,374	$9,190,162	$38,368,235

(c) Included in "Net Long Term Liabilities" in the "Consolidated Balance Sheet" is an amount of $3,410,000 (1986-$3,744,000) payable in United States dollars. The Canadian dollar equivalent at December 31, 1987, using the rate of exchange in effect at the time of each U.S. debenture issue, is $3,470,173 a difference of $60,173 from the par value in U.S. dollars. The net long term liabilities have not been translated into Canadian dollars to reflect this difference.

If the liability is translated into Canadian dollars at the exchange rate prevailing at December 31, 1987, the liability would be increased by $1,022,000 (1986-$1,425,000).

(d) Approval of the Ontario Municipal Board or approval by private legislation has been obtained, where applicable, for the long term liabilities in (a) issued in the name of the Municipality.

(e) The Municipality is contingently liable for long term liabilities for which the responsibility for the payment of principal and interest has been assumed by school boards, unconsolidated municipal enterprises, and utilities. The total amount outstanding as at December 31, 1987 is $4,122,643 (1986-$4,616,527) and is not recorded in the "Consolidated Balance Sheet".

(f) Included in "Net Long Term Liabilities" in the "Consolidated Balance Sheet" is an amount of $3,972,791 representing a loan from the Province of Ontario under the Downtown Revitalization Program. There is no fixed repayment schedule for this loan. The City is to make payments to the Province until an amount equal to 110 per cent of the loan has been paid. Repayments, according to the agreement, are to be made from tax increments and leases generated from the revitalization area. The original loan amount was $4,040,000 and $16,334 was repaid on this loan in 1987.

8. Municipal Fund Balances at the End of the Year

(a) The balance in the "Consolidated Statement of Operations" of municipal equity of $50,666,551 (1986-$40,144,742) at the end of the year is comprised of the following:

	1987	1986
General Ratepayers -		
Revenue Fund for Reduction of Taxes	$ 4,449,765	$ 965,211
Library Board	24,026	9,278
	4,473,791	974,489
Designated Ratepayers - Special Areas		
Garbage Collection Area	(58,396)	219,803
Street Lighting Area	30,842	85,010
Sewage and Drainage Area	(210,607)	308,745
Public Transportation Area	458,771	540,704
Local Improvement Ratepayers	546,060	544,329
Business Improvement Areas	5,304	(6,230)
Waterworks - for General Reduction of User Charges	3,691,431	2,644,235
	8,937,196	5,311,085
Capital Works in Progress to be Financed from the Proceeds of Long Term Liabilities	(985,931)	(2,954,903)
Capital Works to be Financed from Current Revenue in 1987		(163,083)
Unapplied Capital Receipts Available for the Acquisition or Construction of Fixed Assets	5,316,655	4,758,043
	4,330,724	1,640,057
Reserves for Designated Purposes	5,953,259	5,234,368
Reserve Funds for Designated Purposes	31,445,372	27,959,232
	$50,666,551	$40,144,742

(b) Approval of the Ontario Municipal Board has been obtained for the pending issue(s) of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

(c) City Council passed a by-law in 1987 creating a capital reserve fund, authorizing the placement of surplus from the prior year not used in reducing the tax levy for the current year for future capital expenditures.

The surplus in 1986 from the revenue fund for general purposes and for designated ratepayers was $2,119,473. Of this amount, $1,008,994 was transferred to the reserve fund in 1987 and the balance of $1,110,479 was used in reducing the 1987 tax levy.

The surplus in 1987 from the revenue fund for general purposes and for designated ratepayers is $4,670,375. It is the present intention to provide $2,270,375 in the 1988 estimates for transfer to the reserve fund and the balance of $2,400,000 is to be used in reducing the 1988 tax levy.

9. Reserves and Reserve Funds

(a) The total balance of reserves and reserve funds of $5,953,259 (1986 $5,234,368) and $31,445,372 (1986-$27,959,232) respectively are made up of the following:

Reserves Set Aside for Specific Purposes by Council	1987	1986
For Acquisition or Construction of Fixed Assets	$ 1,653,259	$ 934,368
For Working Capital	4,300,000	4,300,000
Total Reserves	5,953,259	5,234,368
Reserve Funds Set Aside for Specific Purposes by Council		
For Acquisiton or Construction of Fixed Assets	11,486,905	8,481,193
For Stabilization of Foreign Exchange	687,099	762,706
For Benefits Rate Stabilization	1,287,308	1,185,218
For Debt Retirement	5,755,256	5,232,021
For Fire, Collision and Compensation - Self Insurance	5,003,316	5,889,521
For Vested Sick Leave Benefits	5,619,599	5,026,620
For Economic Development	85,110	
	29,924,593	26,577,279
Reserve Funds Set Aside for Specific Purposes by Legislation, Regulation or Agreement		
For Park Purposes	1,520,779	1,381,953
Total Reserve Funds	31,445,372	27,959,232
Total Reserves and Reserve Funds	$37,398,631	$33,193,600

(b) In 1980, a Debenture Redemption Reserve Fund was created in order to accumulate annual provisions from the tax levy to retire several specific long term issues prior to maturity in the future. An amount of $5,612,801 has been accumulated in the reserve fund which is sufficient to retire the specific debt; however, because current borrowing rates are slightly higher than the rates on these earlier issues, it is the present intention of the City to use the funds accumulated in the reserve fund to finance the principal and interest charges on the above mentioned debt. Should interest rates decline in the future below the rates on the outstanding debt, it is the intention to retire this debt.

10. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are reported in the "Consolidated Statement of Operations" are as follows:

	1987	1986
Principal Payments Including Contributions to the Ministry of the Environment Debt Retirement Fund	$3,476,184	$ 3,103,516
Interest	3,787,617	3,849,398
	$7,263,801	$ 6,952,914

The charges for long term liabilities assumed by the non-consolidated entities are not reflected in these statements.

11. Nonaccrual of Interest on Long Term Liabilities

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the municipal fund balances as at December 31, 1987 would have been decreased by $566,779 (1986-$723,945).

12. Budget Figures

Budgets established for capital funds, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Operations for these purposes. The budget figures shown reflect the budget for the current year's operation within the revenue fund only.

13. Public Liability Insurance

In recent years there have been substantial increases in the premiums charged by the insurance industry for public liability insurance. As a result, the Municipality has undertaken some portion of the risk, which would normally have been covered by outside insurers.

The Municipality is self-insured for public liability claims up to $50,000 for any number of claims arising out of a single occurrence. Outside coverage in the amount of $10,000,000 is in place for claims in excess of these limits.

The Municipality has made provision for a reserve fund for self insurance which as at December 31, 1987 amounted to $5,003,316 (1986 $5,889,521) and is reported on the "Consolidated Balance Sheet".

Claims settled during the year amounting to $83,934 have been provided for from the reserve fund, and accordingly reported as an expenditure on the Consolidated Statement of Operations.

There were several claims unsettled as at December 31, 1987; however, no opinion is expressed concerning the outcome of these claims.

In 1987, City Council passed a by-law capping the reserve fund as at December 31 of each year at $5,000,000. A net amount therefore of $1,439,521, representing the balance over $5,000,000 at the end of 1986 together with interest earned in 1987 less claims paid in 1987, was transferred to the revenue fund in 1987.

14. Unexpended Capital Financing

Unexpended capital financing of $4,330,724 (1986-$1,640,057) reported in the "Consolidated Balance Sheet" is made up of the following:

	1987	1986
Work in Progress for which Long Term Financing has not been Completed as at December 31	$ (985,930)	$(2,954,903)
Capital Works to be Financed from Current Revenue in 1987		(163,083)
Unexpended Capital Financing		17,776
Unapplied Capital Receipts	5,316,654	4,740,267
	$ 4,330,724	$ 1,640,057

Unapplied capital receipts represents unexpended capital financing from sources such as the sale of City owned lands and the receipt of unconditional capital grants.

15. Capital Financing Reserve Fund

This fund was created to assist the City in the financing of capital works. The aggregate cost of capital works financed from this fund to December 31, 1987 for which debentures would otherwise have been issued, after deducting recoveries from tax levies to that date, amounts to $3,032,514. It is the present intention to recover this balance from future tax levies and user rates by annual provisions approximately equal to the payment that would have been recovered had debentures been issued as follows:

From Future Tax Levies		$ 960,177
From Parking		1,616,494
From Waterworks		129,515
From Community Auditorium		228,328
From Telephone		98,000
		$ 3,032,514
Unrecovered Capital Expenditures at December 31, 1986		$ 2,692,155
Capital Works Financed in 1987		579,020
		$ 3,271,175
Recovered in 1987 Tax Levy	$ 101,836	
Transfer from Parking	75,415	
Transfer from Waterworks	17,734	
Transfer from Community Auditorium	43,676	(238,661)
Unrecovered Capital Expenditures at December 31, 1987		$ 3,032,514

To The Members of Council, Inhabitants
and Ratepayers of The Corporation
of The City of Thunder Bay

We have examined the balance sheet of the trust funds of The Corporation of The City of Thunder Bay as at December 31, 1987 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

The trust funds of The Corporation of The City of Thunder Bay derive receipts from donations and deposits (withdrawals) for residents of the homes for the aged, the completeness of which is not susceptible to conclusive audit verification. Accordingly, we are unable to determine whether any adjustments for unrecorded receipts might be necessary to the homes for the aged balances at the end of the year.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the completeness of receipts for the homes for the aged described in the preceding paragraph, these financial statements present fairly the financial position of the trust funds of The Corporation of The City of Thunder Bay as at December 31, 1987 and the continuity of trust funds for the year then ended in accordance with accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon
Chartered Accountants
Licence No. 001217

TRUST FUNDS

BALANCE SHEET

as at December 31, 1987

	Total	Older Adults Centre	Mountain View	Saint Patricks	Compensation	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Cumberland Hall Home for Aged	OHRP	Library
Assets	$	$	$	$	$	$	$	$	$	$
Cash	300,164	7,683	61,508	3,590		2,291	174,824	50,031		237
Investments - Municipal	223,976		223,976							
Term Deposits	4,283,756		261,000	72,000		1,899,878	1,899,878	150,000		1,000
	4,507,732		484,976	72,000		1,899,878	1,899,878	150,000		1,000
Other										
Accrued Interest	2,108	3	1,885	220						
Due from Revenue Fund	228,829								228,829	
OHRP Loans Receivable	771,270								771,270	
	1,002,207	3	1,885	220					1,000,099	
	5,810,103	7,686	548,369	75,810		1,902,169	2,074,702	200,031	1,000,099	1,237
Liabilities										
Due to Revenue Fund	62,002		29,009	5,850			27,034			109
Fund Balance	5,748,101	7,686	519,360	69,960		1,902,169	2,047,668	200,031	1,000,099	1,128
	5,810,103	7,686	548,369	75,810		1,902,169	2,074,702	200,031	1,000,099	1,237

TRUST FUNDS

STATEMENT OF CONTINUITY

for the year ended December 31, 1987

	Total	Older Adults Centre	Mountain View	Saint Patricks	Compensation	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Cumberland Hall Home for Aged	OHRP	Library
	$	$	$	$	$	$	$	$	$	$
Balance at Beginning of Year	5,934,949		494,454	69,853	420	2,070,303	1,999,279	239,723	1,059,795	1,122
Receipts										
Donations	7,686	7,686								
Residents' Deposits (Withdrawals) Net	(464,921)					(311,298)	(108,871)	(44,752)		
35% of Sale of Plots	25,013		24,906	107						
Earned Interest	399,452		53,916	5,956	6	143,164	157,260	5,060	33,994	96
	(32,770)	7,686	78,822	6,063	6	(168,134)	48,389	(39,692)	33,994	96
Expenditures										
Net Investment Earnings	59,872		53,916	5,956						
Compensation Payments	426				426					
Earned Forgiveness	81,082								81,082	
Grant for Books	90									90
Administration Fee	12,608								12,608	
	154,078		53,916	5,956	426				93,690	90
Balance at End of Year	5,748,101	7,686	519,360	69,960	-	1,902,169	2,047,668	200,031	1,000,099	1,128

CITY OF THUNDER BAY

TRUST FUNDS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

Basis of Accounting

Receipts and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. ONTARIO HOME RENEWAL PROGRAM

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to $7,500 of which the maximum forgivable portion is $4,000.

Ontario Home Renewal Program loans receivable at December 31, 1987 comprise repayable loans of $470,804 (1986, $482,037) and forgivable loans of $300,466 (1986, $281,440). Loan forgiveness is earned and recorded at a rate of up to $600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

3. INVESTMENTS

The total for investments by the trust funds of $4,507,732 (1986, $4,155,405) reported on the balance sheet at cost, have a market value of $4,507,732 (1986, $4,155,405) at the end of the year.

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AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants
and Ratepayers of the Corporation of the City of Thunder Bay

We have examined the balance sheet of the Thunder Bay Public Library Board as at December 31, 1987 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1987 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 2, 1988
Licence No. 1086

THUNDER BAY PUBLIC LIBRARY BOARD

BALANCE SHEET

	December 31 1987	1986
ASSETS		
Unrestricted		
Cash	$143,951	$141,018
Accounts receivable	16,102	39,576
Due from City of Thunder Bay	204,117	225,695
Due from trust fund	109	104
Prepaid expenses	7,567	1,459
	371,846	407,852
Restricted		
Cash	81,414	186,574
Capital outlay financed by long-term liabilities and to be recovered in future years	279,000	315,000
	$732,260	$909,426
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$225,524	$247,571
Deferred revenue	5,096	-
	230,620	247,571
Long-term liabilities financed by the municipality (note 1)	279,000	315,000
FUND BALANCES AT END OF YEAR		
To be used to offset municipal contribution in subsequent year	24,026	9,278
Unexpended capital financing	81,414	186,574
Reserves (note 2)	117,200	151,003
	$732,260	$909,426

Commitments (note 6)

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS

	Year ended December 31		
	1987 Budget	1987 Actual	1986 Actual
SOURCES OF FINANCING			
Municipal contribution			
Operating and capital grants	$3,078,400	$3,078,422	$3,005,470
Debenture charges	60,500	60,413	59,970
	3,138,900	3,138,835	3,065,440
Grants			
Province of Ontario			
Per household grant	307,400	307,388	295,565
Ontario Library Service grants to unorganized townships	5,100	4,886	4,886
Inter-Library loan services	19,900	19,900	17,200
Other special services	31,100	31,100	33,800
Other municipalities (note 3)	30,100	32,162	43,011
	393,600	395,436	394,462
Non-Budget Grants			
Province of Ontario			
Wintario grants	-	25,445	12,500
Special grants	-	19,216	172,588
Canada special grant	-	-	80,503
Other	-	5,000	-
	-	49,661	265,591
Other			
Fines and charges for lost books	31,000	72,249	20,666
Photo-copying charges	26,200	27,476	25,362
Projector rentals	3,900	5,956	4,871
Interest income	-	5,022	6,647
Other	3,800	37,428	22,119
	64,900	148,131	79,665
FUND BALANCES AT BEGINNING OF YEAR			
To be used to offset municipal contribution	9,300	9,278	117,930
Unexpended capital financing	187,600	186,574	188,318
	196,900	195,852	306,248
	$3,794,300	$3,927,915	$4,111,406

	Year ended December 31		
	1987 Budget	1987 Actual	1986 Actual
APPLIED TO			
Current operations			
Salaries	$2,371,400	$2,374,070	$2,388,029
Library services	593,500	598,640	618,635
Building and equipment expenses	279,600	264,386	279,347
Administrative and general expenses	203,900	189,670	225,923
Interest charges on debenture	24,500	24,413	26,970
	3,472,900	3,451,179	3,538,904
Non-Budget Expenditures			
Special funded programs	-	69,966	98,430
Capital			
Building and equipment	285,400	299,133	218,299
Reduction of debenture Principal	36,000	36,000	33,000
	321,400	335,133	251,299
Net appropriations to (from) reserves	-	(33,803)	26,921
FUND BALANCES AT END OF YEAR			
To be used to offset municipal contribution in subsequent year	-	24,026	9,278
Unexpended capital financing	-	81,414	186,574
	-	105,440	195,852
	$3,794,300	$3,927,915	$4,111,406

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities financed by the municipality which are charged against operations in the period in which they are recorded by the municipality.

(b) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) The historical cost and accumulated depreciation of fixed assets are not reported for municipal library purposes. Fixed assets are reported as an expenditure on the statement of operations in the year of acquisition.

(d) Capital outlay financed by long-term liabilities and to be recovered in future years, which represents the outstanding principal portion of the unmatured long-term liability issued by the municipality for library purposes, is reported on the balance sheet.

(e) Trust Fund

A trust fund and its related operations administered by the Board is not consolidated, but is reported separately on the trust fund balance sheet and statement of continuity.

1. LONG-TERM LIABILITIES FINANCED BY THE MUNICIPALITY

The City of Thunder Bay debenture debt for library purposes, at December 31, is as follows:

	1987	1986
By-law No. 249/73, 7.75%, maturing December 15, 1993	$279,000	$315,000

1. LONG-TERM LIABILITIES FINANCED BY THE MUNICIPALITY (Continued)

Principal and interest payable on this debt within each of the next five years is as follows:

	Principal	Interest	Total
1988	$38,000	$21,622	$59,622
1989	41,000	18,678	59,678
1990	44,000	15,500	59,500
1991	48,000	12,090	60,090
1992	52,000	8,370	60,370

2. RESERVES

	1987	1986
Balance at beginning of year	$151,003	$ -
Appropriation from reserve funds	-	124,082
Appropriation from current operations	69,494	54,671
	220,497	178,753
Appropriations to current operations		
Building renovations and equipment	82,852	7,120
Circulation automation projects	-	20,630
Acquisition of library materials	7,945	-
Special studies	12,500	-
	103,297	27,750
Balance at end of year	$117,200	$151,003
Set aside for specific purposes		
Capital expenditures	$ 20,983	$104,241
Acquisition of library materials/equipment	96,217	34,262
Special studies	-	12,500
	$117,200	$151,003

3. GRANTS FROM OTHER MUNICIPALITIES

The Board provides library services for other municipalities. Grants from these municipalities are as follows:

	1987	1986
Municipality of Shuniah	$13,794	$25,406
Municipality of Paipoonge	7,388	7,012
Municipality of Neebing	3,337	3,182
Township of Oliver	4,800	4,800
Township of O'Connor	1,555	1,427
Township of Gillies	1,288	1,184
	$32,162	$43,011

4. TRUST FUND

Special donations which were received in prior years from the Lake Superior Chapter I.O.D.E. are held in trust by the Board. This trust provides that interest on this fund is to provide for an annual grant of approximately $100 to be used for the purchase of books or for support of cultural projects in the children's section of the Brodie Street Library. The trust fund balance at December 31, 1987 is $1,128 (1986, $1,122).

5. PENSION AGREEMENT

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by employees based on length of service and rates of pay.

The amount contributed to OMERS for 1987 was $94,200 (1986 - $90,800) for current service and is included as an expenditure on the Statement of Operations.

6. COMMITMENTS

(a) The Board has entered into an agreement to lease telephone equipment with monthly payments of $323 until expiry in August, 1992. The aggregate future payments to the expiry date amount to $17,765. At any time after August, 1988, a single amount equal to the present value of the remaining payments can be made to extinguish the obligation. Ontario Municipal Board approval has not been received for this agreement.

(b) The Board has commitments under long-term leases for future rentals of copiers totalling $22,989 payable over the next four years as follows:

1988	$ 9,196
1989	9,196
1990	4,597
	$22,989

Ontario Municipal Board approval has not been received for these leases.

(c) The Board also leases additional premises for a five year period ending April 1, 1988 at an annual rent of $17,505 plus its proportionate share of taxes and insurance. Ontario Municipal Board approval has not been received for this lease.

(d) At December 31, 1987, commitments in connection with an uncompleted portion of a contract for the provision of an integrated library information system amount to approximately $32,000.

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Thunder Bay

The audited financial statements of the Board and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position and results of operations of the Board. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

February 2, 1988
Licence No. 1086

THUNDER BAY PUBLIC LIBRARY BOARD

REVENUE FUND

SCHEDULES OF EXPENDITURE

	Year ended December 31		
	1987 Budget	1987 Actual	1986 Actual
Salaries			
Library and administrative staff	$1,873,100	$1,865,562	$1,885,630
Custodial	199,500	199,367	201,452
Fringe benefits	298,800	309,141	300,947
	$2,371,400	$2,374,070	$2,388,029
Library services			
Books	$ 364,100	$ 364,041	$ 359,566
Book processing	29,800	29,806	52,885
Periodicals	40,800	40,835	36,279
Audio visual	38,900	38,590	36,670
Microfilms	12,500	12,500	12,098
Reproducing service expenses	88,200	89,376	100,122
Extension services	19,200	23,492	21,015
	$ 593,500	$ 598,640	$ 618,635
Building and equipment expenses			
Repairs and maintenance	$ 23,400	$ 26,767	$ 22,614
Fuel	36,500	27,336	36,050
Utilities and telex	72,000	67,760	68,475
Insurance	28,800	26,703	32,994
Rental of premises	108,700	105,610	108,095
Custodial supplies and expenses	10,200	10,210	11,119
	$ 279,600	$ 264,386	$ 279,347
Administrative and general expenses			
Office and library supplies and expenses	$ 61,700	$ 61,299	$ 66,993
Conventions, staff development and memberships	23,500	22,766	28,288
Travel and vehicle expenses	15,600	16,009	16,071
Express, cartage and postage	30,000	30,556	30,000
Advertising and promotion	18,400	18,400	14,000
Consultants' fees	10,000	10,000	10,000
Other general expenses	44,700	30,640	60,571
	$ 203,900	$ 189,670	$ 225,923

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AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants
and Ratepayers of the Corporation of the City of Thunder Bay

We have examined the balance sheet of the trust fund of the Thunder Bay Public Library Board as at December 31, 1987 and the statement of continuity of the trust fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust fund of the Thunder Bay Public Library Board as at December 31, 1987 and the continuity of the trust fund for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 2, 1988
Licence No. 1086

THUNDER BAY PUBLIC LIBRARY BOARD

TRUST FUND

BALANCE SHEET

	December 31 1987	1986
ASSETS		
CURRENT ASSETS		
Cash	$ 237	$ 226
Term deposit 8.5%, maturing May, 1988	1,000	1,000
	$1,237	$1,226
CURRENT LIABILITIES		
Due to revenue fund	$ 109	$ 104
FUND BALANCE	1,128	1,122
	$1,237	$1,226

STATEMENT OF CONTINUITY

	Year ended December 31 1987	1986
BALANCE AT BEGINNING OF YEAR	$1,122	$1,113
Interest earned	96	109
Expenditure		
Grant for books	90	100
BALANCE AT END OF YEAR	$1,128	$1,122

THUNDER BAY PUBLIC LIBRARY BOARD

TRUST FUND

NOTE TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Sources of revenue and expenditure are reported on a cash basis. The term deposit investment is recorded at cost.

WATERWORKS STATISTICS

for the year ended December 31, 1987

CITY OF THUNDER BAY
(Not Subject to Audit)

A
STATS

	1987	1986
Estimated Population Served	106,270	105,945
Source of Supply		
Surface		
Miles of Mains		
Under 6"	21.88	21.84
6"	187.06	186.80
8" to 10"	79.09	76.52
12" to 16"	56.38	56.38
Over 16"	49.19	48.40
Annual Quantity of Water Distributed		
Own Municipality	5,734,493,000	5,733,812,000
Treated Storage Capacity	6,900,000	6,900,000
Flows		
Maximum Month	537,498,000	544,018,000
Average Month	477,874,000	477,818,000
Maximum Day	23,637,000	21,321,000
Average Day	15,711,000	15,709,000
Design Average Day	29,000,000	29,000,000
Water Loss (Metered Only)	10%	10%
Usage		
Number of Customers - Residential	32,773	32,286
- Non-Residential	1,714	1,737
Percentage of Water - Residential	60%	60%
- Non-Residential	40%	40%

Water Rates - See Attached Schedule "B"

WATERWORKS
STATISTICS

CITY OF THUNDER BAY

SCHEDULE "B"
to By-law 84-1970

for the year ended December 31, 1987

WATER CONSUMPTION CHARGES

Metered Services

This rate will consist of a charge for each year or fraction of a year thereof as follows:

First Block Rate - $2.743 per 100 cubic feet.

The first block will be determined by the size of the meter installed and will be 1,000 cubic feet multiplied by the meter factor or meter factors in the case of multiple meter. The meter factors are as follows:

Meter Size	Meter Factor
5/8"	1
3/4"	1.5
1"	2.5
1½"	5
2"	8
3"	15
4"	25
6"	50
8"	80
10"	115
12"	155

Meters larger than 12" will have a proportionate Meter Factor. Minimum charge will be for the first block per quarter.

Second Block Rate - $0.600 per 100 cubic feet for all in excess of the first block.

Unmetered Services

Domestic Flat Rate

No. of Rooms	Basic Quarterly Charge	Additional Bathrooms
4 or less	$21.81	$2.22
5	23.26	2.22
6	24.72	2.22
7	29.07	2.88
8	30.56	2.88
9 to 12	34.93	3.64
Over 12	36.36	3.64

The basic quarterly charge shall include three bathroom fixtures (not including shower), kitchen taps, and outside taps. The minimum quarterly charge shall be the same as for metered services.

Additional Charges

Taps	$1.47
Showers	2.88
Automatic Washers	1.47
Hot Water or Steam Head	1.47

WATERWORKS

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY — A-1

for the year ended December 31, 1987

	1987 Budget	1987 Actual	1986 Actual
	$	$	$
Accumulated Net Revenue at the Beginning of the Year	2,644,235	2,644,235	2,046,047
Expenditure			
Operations			
Water Supply	317,600	330,162	273,419
Power and Pumping	681,100	661,756	656,444
Water Transmission & Distribution	1,914,900	1,621,843	1,731,892
Administration	1,909,400	1,865,173	1,757,196
Total Operating Expenditure	4,823,000	4,478,934	4,418,951
Provision for Foreign Exchange	-	29,038	33,587
Principal Payments and Interest Charges on Long Term Debt	1,989,900	1,955,739	1,913,256
Capital Expenditure Out of Current Revenue	1,756,600	883,264	427,411
Other	1,000	33,456	33,183
Total Expenditure	8,570,500	7,380,431	6,826,388
Revenue			
Sale of Water	7,410,100	8,027,822	7,043,028
Municipal Contribution	34,100	33,179	33,179
Fire Protection	352,900	352,940	327,944
Other Revenue	12,200	13,686	20,425
Total Revenue	7,809,300	8,427,627	7,424,576
Accumulated Net Revenue at the End of the Year	1,883,035	3,691,431	2,644,235

WATERWORKS

CHANGES IN FINANCIAL POSITION — CITY OF THUNDER BAY A-2

for the year ended December 31, 1987

	1987	1986
	$	$
Source of Funds		
Total Revenue	8,427,627	7,424,576
Total Operating Expenditure	4,478,934	4,418,951
Total Provided from Operations	3,948,693	3,005,625
Capital Funds Transferred from the Municipality	156,696	5,951
	4,105,389	3,011,576
Application of Funds		
Capital Expenditures		
Buildings	-	3,430
Engineering Structures	878,270	326,061
Machinery and Equipment	161,690	103,871
	1,039,960	433,362
Principal Payments and Interest Charges on Long Term Debt	1,955,739	1,913,256
Provision for Foreign Exchange	29,038	33,587
Legal Expense-Debentures	273	-
Contribution to Capital Financing Reserve Fund General Section	33,183	33,183
	3,058,193	2,413,388
Net Increase in Working Capital	1,047,196	598,188
Working Capital at the Beginning of the Year	2,644,235	2,046,047
Working Capital at the End of the Year	3,691,431	2,644,235
Represented By:		
Current Assets	3,691,431	2,644,235

WATERWORKS

BALANCE SHEET — CITY OF THUNDER BAY A-3

as at December 31, 1987

	1987	1986
	$	$
ASSETS		
Current		
Accounts Receivable	2,147,517	1,846,274
Due from City Revenue Fund	1,294,469	550,740
Inventory of Materials	249,445	247,221
	3,691,431	2,644,235
Capital Outlay to be Recovered in Future Years from Waterworks Revenue	7,346,149	8,392,049
Due from Ministry of Environment Reserve Fund	159,733	144,058
Total Assets	11,197,313	11,180,342
LIABILITIES AND FUND BALANCES		
Long Term Debt Financed by the Municipality	7,346,149	8,392,049
Reserve Fund	159,733	144,058
Accumulated Net Revenue	3,691,431	2,644,235
Total Liabilities And Fund Balances	11,197,313	11,180,342

WATERWORKS

MINISTRY OF THE ENVIRONMENT
RESERVE FUND FOR CONTINGENCIES

CITY OF THUNDER BAY A-4

for the year ended December 31, 1987

	$
Balance at the Beginning of the Year	144,058
Revenue	
Interest Earned	15,675
Balance at the End of the Year	159,733

Watermains constructed in 1976 and 1980 were financed from the City Capital Financing Reserve Fund. It is the present intention to recover these costs from the waterworks utility by annual provisions approximately equal to the annual payment that would have been recovered had debentures been issued. The unrecovered balance of this amount as at December 31, 1987 amounted to $129,515 and is not included in Long Term Debt on the Balance Sheet.

WATERWORKS

ANALYSIS OF REVENUE — CITY OF THUNDER BAY — A 1-1

for the year ended December 31, 1987

	1987	1986
	$	$
Sale of Water	8,027,822	7,043,028
Municipal Contribution		
Frontage Charges	33,179	33,179
Fire Protection		
Own Municipality	352,940	327,944
Other Revenue		
Installation and Service Charges	13,686	20,425
Total Revenue	8,427,627	7,424,576

WATERWORKS

ANALYSIS OF EXPENDITURE — CITY OF THUNDER BAY A 1-2

for the year ended December 31, 1987

	Salaries Wages and Fringe Benefits	Material Supplies and Utilities	Other Services	Total
	$	$	$	$
Water Supply	63,894	248,351	17,917	330,162
Power and Pumping	236,886	374,630	50,240	661,756
Water Transmission and Distribution				
Mains	443,671	65,888	413,343	922,902
Meters	120,515	76,167	10,116	206,798
Services	339,357	34,135	118,651	492,143
	903,543	176,190	542,110	1,621,843
Administration				
General Administration	856,527	19,733	81,421	957,681
Billing and Data Processing	369,908	16,117	145,725	531,750
Other Administrative Expense	181,879	12,854	12,758	207,491
Grant in Lieu of Taxes			167,834	167,834
Bad Debts Written Off			417	417
	1,408,314	48,704	408,155	1,865,173
Total Operating Expenditure	2,612,637	847,875	1,018,422	4,478,934
Principal Payments on Long Term Debt			943,020	943,020
Ministry of the Environment Sinking Fund Debentures			20,121	20,121
			963,141	963,141
Interest Charges on Long Term Debt			992,598	992,598
Provision for Foreign Exchange			29,038	29,038
Other Legal Costs re Debenture Issue			273	273
			1,985,050	1,985,050
Capital Expenditure out of Current Revenue			883,264	883,264
Contribution to Capital Financing Reserve Fund General Section			33,183	33,183
Total Expenditure	2,612,637	847,875	3,919,919	7,380,431

for the year ended December 31, 1987

	1987	1986
Passengers		
Adult Tickets	593,316	619,196
Child Tickets	28,532	35,396
Student Tickets	484,016	610,472
Reduced Fares	421,004	410,560
Cash Fares	1,971,239	2,375,975
Total Passengers	3,498,107	4,051,599
Revenue Klm.		
Regular	3,380,962	3,632,888
Charter and Other	34,150	20,631
Miles of Street with Transit Service	349	349
Population Serviced	113,000	113,000
Area Served (square miles)	249	249
Fare Structure (detail):		
Adults — 1.00 20 rides - 19.25	44.00 monthly	
Children — .65 20 rides - 12.50	28.50 monthly	
Students — .75 20 rides - 14.50	33.00 monthly	
Reduced — .50 20 rides - 9.50	22.00 monthly	
Average Fare	0.716	0.715
Passenger Vehicles (by type):		
GMC Diesel 51 Passenger Buses	62	65
Number of Employees:		
Operators	119	119
Supervisors and Inspectors	12	12
Maintenance	30	30
Other	6	6
Maximum Operator Hourly Rate	13.04	12.65

NOT SUBJECT TO AUDIT

TRANSIT

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY B-1

for the year ended December 31, 1987

	1987 Budget	1987 Actual	1986 Actual
	$	$	$
Revenue			
Regular Passenger Revenue	2,805,300	2,504,193	2,768,064
Charter	65,000	52,408	44,968
Contract	39,600	36,324	35,034
Advertising	53,000	44,018	55,251
Other	17,000	5,906	12,813
Total Revenue	2,979,900	2,642,849	2,916,130
Expenditure			
Transportation	4,685,100	4,277,195	4,555,379
Fuel	973,700	915,572	993,559
Equipment and Vehicle Maintenance	1,916,900	1,696,828	1,691,579
Premises and Plant	590,800	445,465	511,064
General and Administrative	1,239,700	1,198,349	1,113,669
Total Operating Expense	9,406,200	8,533,409	8,865,250
Principal Payment on Long Term Debt	19,500	19,490	17,127
Interest on Long Term Debt	26,200	26,138	28,061
Capital Expenditure Out of Current Revenue	292,500	148,085	93,690
Accounts Receivable Write-off	-	516	1,911
Transfer to Reserve for Equipment	-	150,436	170,223
Total Expenditures	9,744,400	8,878,074	9,176,262
Excess of Expenditures over Revenues for the Year 1986	6,764,500	6,235,225	6,260,132
Transportation of the Handicapped	442,300	436,730	355,441
	7,206,800	6,671,955	6,615,573

TRANSIT

CHANGE IN FINANCIAL POSITION — CITY OF THUNDER BAY B-2

for the year ended December 31, 1987

	1987	1986
	$	$
Source of Funds		
Operating Revenue	2,642,849	2,916,130
Ministry of Transportation & Communication		
Operating Subsidy	2,227,919	2,267,971
Grant for Transportaton of the Handicapped	328,136	247,868
Municipal Contribution	4,115,900	4,099,734
Capital Funds Transferred From the Municipality	8,793	182,461
	9,323,597	9,714,164
Application of Funds		
Operating Expenses	8,533,409	8,865,250
Transportation of the Handicapped	436,730	355,441
Engineering Structures	87,277	68,609
Machinery and Equipment	227,637	243,281
Passenger Vehicles	16,583	-
Other	6,761	32,954
Principal Payments on Long Term Debt	19,490	17,127
Interest Charges on Long Term Debt	26,138	28,061
Accounts Receivable Written Off	516	1,911
	9,354,541	9,612,634
Net Increase (Decrease) in Working Capital	(30,944)	101,530
Working Capital at the Beginning of the Year	219,859	118,329
Working Capital at the End of the Year	188,915	219,859
Represented By:		
Current Assets	201,852	219,859
Current Liabilities	(12,937)	-
	188,915	219,859

TRANSIT

BALANCE SHEET

CITY OF THUNDER BAY B-3

as at December 31, 1987

ASSETS	1987	1986
	$	$
Current Assets		
Inventories	201,852	211,454
Due from Municipality	-	8,405
	201,852	219,859
Capital Outlay to be Recovered in Future Years	239,193	258,683
Total Assets	441,045	478,542

LIABILITIES AND FUND BALANCE

Current Liabilities		
Due to Municipality	12,937	
	12,937	
Long Term Debt	239,193	258,683
Reserves (Note 1)	188,915	219,859
Total Liabilities and Fund Balance	441,045	478,542

TRANSIT

ANALYSIS OF REVENUE

CITY OF THUNDER BAY B-4

for the year ended December 31, 1987

	1987	1986
	$	$
Regular Passenger Service		
Fares	2,504,193	2,768,064
Contract Service	36,324	35,034
Charter, Sightseeing & Other	52,408	44,968
Advertising	44,018	55,251
Other	5,906	12,813
Total Revenue	2,642,849	2,916,130

TRANSIT

ANALYSIS OF EXPENDITURE

for the year ended December 31, 1987

	Salaries Wages and Fringe Benefits	Material Supplies Services and Rents	Debt Charges	Other	Total
	$	$	$	$	$
Transportation	4,142,890	134,305			4,277,195
Fuel and Fuel Taxes		915,572			915,572
Equipment and Vehicle Maintenance	1,062,716	634,112			1,696,828
Premises and Plant	25,896	419,569			445,465
General and Administration	839,138	359,211			1,198,349
Principal Payments on Long Term Debt			19,490		19,490
Interest Payments on Long Term Debt			26,138		26,138
Accounts Receivable Written Off				516	516
Capital Expenditure Out of Current Revenue				148,085	148,085
Transfer to Reserve for Equipment				150,436	150,436
Contribution to Transportation of the Handicapped				436,730	436,730
	6,070,640	2,462,769	45,628	735,767	9,314,804

1. Reserve for Capital Expenditure

	$
Balance December 31, 1986	219,859
Provision for Capital Expenditures and Equipment	150,436
Contribution for Capital Expenditure and Equipment	(181,380)
Balance December 31, 1987	188,915

2. Commitments

The City of Thunder Bay has a liability as at December 31 1987 to the Ontario Municipal Employees Retirement System for supplementary benefits for its transit employees in the amount of $119,375.

This liability will be retired by the following payments:

1988 - 1992	5 payments @ 23,875	119,375

This liability is not included on the Balance Sheet as at December 31, 1987.

3. Liability for Vested Sick Leave Benefits

Employees may become entitled to a cash payment for previously accumulated sick leave benefits when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to approximately $421,000 at the end of the year. It is the policy of the City to provide in the current year's expenditures for cumulative sick leave payments made to employees during the year. Accordingly, the above accrued liability is not included as a liability on the Balance Sheet as at December 31, 1987.

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Members of Council, Inhabitants
and Ratepayers of The Corporation
of The City of Thunder Bay

We have examined the balance sheet of The Corporation of The City of Thunder Bay Parking Authority as at December 31, 1987 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

Due to its nature, revenue from certain parking meter receipts is not susceptible to independent audit verification and therefore our tests on such revenue were limited to a comparison of receipt records with bank deposits. Accordingly, we were not able to determine whether any adjustments might be necessary to excess of expenditure over revenue.

In our opinion, except for the effects, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to certain revenues as explained in the preceding paragraph, these financial statements present fairly the financial position of The Corporation of The City of Thunder Bay Parking Authority as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

PARKING AUTHORITY

BALANCE SHEET — CITY OF THUNDER BAY X-1

as at December 31, 1987

	$	$
ASSETS		
Parking Facilities at Amount of Outstanding Debenture Debt		
North Ward Parking Structure	753,000	
South Ward Parking Structure	823,000	1,576,000
LIABILITIES		
Debenture Debt Outstanding		1,576,000

NOTE: A portion of the cost of parking facilities acquired in 1987 and prior years was financed from the City Capital Financing Reserve Fund. It is the present intention to recover these costs from the Parking Facilities Reserve Fund by annual provisions approximately equal to the annual payments that would have been recovered had debentures been issued. The unrecovered balance of this amount as at December 31, 1987 amounted to $1,616,494 and is not included in long-term debt above.

PARKING AUTHORITY

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1987

CITY OF THUNDER BAY X-2

	1987	1986
	$	$
REVENUE		
Parking Meter Receipts and Lot Rental	1,106,461	1,001,539
Parking Meter Fines	533,749	385,574
City Parking Stickers & Visitors Parking	36,919	29,527
TOTAL REVENUE	1,677,129	1,416,640
EXPENDITURE		
Salaries and Wages	385,529	328,924
Commissionaires	206,342	228,004
Taxes	160,110	148,952
Stationery, Office and General Expense	294,079	257,518
Repairs and Maintenance	67,461	99,939
City Owned Equipment Rental	426	2,201
Rent	5,000	6,552
Utilities	48,560	49,128
	1,167,507	1,121,218
Debenture Debt Charges		
Principal	410,000	370,000
Interest	217,173	259,445
	627,173	629,445
Repayment to Capital Financing Reserve Fund	133,453	141,524
TOTAL EXPENDITURE	1,928,133	1,892,187
Excess of Expenditure over Revenue Financed from General Municipal Revenues	(251,004)	(475,547)

PARKING FACILITIES RESERVE FUND

STATEMENT OF CONTINUITY

CITY OF THUNDER BAY

for the year ended December 31, 1987

	$	$
Fund Balance at January 1, 1987		58,227
Add: Contribution from Capital Finance Reserve Fund	355,020	
Contribution from City Revenue Fund	251,004	
Interest Earned on Investments	4,909	610,933
		669,160
Less: Net Parking Facilities Loss From Operations	251,004	
Repairs to Keskus Parkade	209,692	
Improvements to Brodie Street Lot	70,106	
Purchase of 60 Meters	30,383	
Design Fees - P.U.C.Lot	44,839	606,024
Fund Balance at December 31, 1987		63,136

CITY OF THUNDER BAY

PARKING AUTHORITY

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.

MOUNTAIN VIEW CEMETERY

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY W-2

for the year ended December 31, 1987

	$	$
Revenue		
Sale of Plots		71,159
Less Portion Transferred to the Perpetual Care Fund Capital Account (35% Sale of Plots)		24,906
		46,253
Transfer from the Perpetual Care Fund Income Account (Net Investment Earnings)		53,916
Burial Charges - Opening and Closing		58,564
Miscellaneous Revenue		
Transfer Fees	8	
Non-Resident Fees	2,840	2,848
Provided by Municipality from Tax Levy		125,388
Total Revenue		286,969
Expenditure		
Administration and General		4,930
Maintenance and Care of Buildings, and Grounds (Undeveloped Land)		39,360
Salaries and Benefits		242,679
Total Expenditure		286,969
Surplus (Deficit) for Year		Nil

SAINT PATRICK'S CEMETERY

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY W-2

for the year ended December 31, 1987

	$	$
Revenue		
Sale of Plots		306
Less Portion Transferred to the Perpetual Care Fund Capital Account (35% Sale of Plots)		107
		199
Transfer from the Perpetual Care Fund Income Account (Net Investment Earnings)		5,956
Burial Charges - Opening and Closing		6,247
Miscellaneous Revenue		
Transfer Fees	-	
Non-Resident Fees	292	292
Provided by Municipality from Tax Levy		15,362
Total Revenue		28,056
Expenditure		
Administration and General		40
Maintenance and Care of Buildings and Grounds (Undeveloped Land)		9,028
Salaries and Benefits		18,988
Total Expenditure		28,056
Surplus (Deficit) for Year		Nil

AUDITORS' REPORT

To the Mayor and Members of Council
of the City of Thunder Bay.

We have examined the revenue and trust fund balance sheets of Dawson Court Home for the Aged (including its satellite home for the aged, Cumberland Hall) as at December 31, 1987 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

Deposits received from residents of the Homes for the Aged are not susceptible of complete audit verification. Accordingly, we were unable to determine whether any adjustments might be necessary to the amounts shown as deposits received from and due to residents.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the deposits received from and due to residents described in the preceding paragraph, these financial statements present fairly the financial position of the Home as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
March 28, 1988.

Chartered Accountants.
Licence Number 001217.

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)
(An institution governed by the Homes For The Aged and Rest Homes Act)

BALANCE SHEETS

DECEMBER 31, 1987
(with comparative figures at December 31, 1986)

	1987	1986
ASSETS		
Revenue Fund		
Accounts receivable - Province of Ontario	$1,086,542	$ 909,373
- Other	215,795	221,311
	$1,302,337	$1,130,684
Trust Fund		
Cash	$ 52,322	$ 510,026
Deposit receipts	2,049,878	1,800,000
	$2,102,200	$2,310,026
LIABILITIES		
Revenue Fund		
Unexpended donations	$ 4,671	$ 1,711
Due to The City of Thunder Bay	1,297,666	1,128,973
	$1,302,337	$1,130,684
Trust Fund		
Due to residents	$2,102,200	$2,310,026

(See notes to financial statements)

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Revenue:		
Resident payments for maintenance	$2,443,174	$2,270,246
City of Thunder Bay - revenue fund	1,138,157	1,053,960
- reserve for capital	11,668	65,896
Province of Ontario	4,326,524	4,170,275
	$7,919,523	$7,560,377
Expenditure (net of sundry recoveries):		
Residents' social services, activities and comforts	$ 343,289	$ 345,943
Dietary services	1,470,586	1,394,252
Residents' medical - nursing services	3,670,115	3,319,345
Housekeeping services	685,574	594,670
Laundry and linen services	142,946	140,273
Building and property - operation and maintenance	783,558	721,738
General and administrative	602,078	740,032
Approved drugs and pharmaceuticals	96,374	79,818
Physicians' fees	1,441	5,738
Capital expenditures	34,003	141,730
Meals on wheels	38,734	26,597
Staff development	50,825	50,241
	$7,919,523	$7,560,377

(See notes to financial statements)

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. Accounting policies

(a) Fund accounting -

The financial statements have been prepared by the Home in accordance with the principles of "fund accounting" that are prescribed by the Ministry of Community and Social Services and the Homes for the Aged and Rest Homes Act and are considered appropriate for Ontario municipal organizations. Under these principles, resources for various purposes are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. Separate accounts are maintained for each fund to ensure observance of the limitations and restrictions placed on the use of resources.

The Revenue Fund is used to account for administrative and operational costs financed by maintenance fees, subsidies from the Province of Ontario and the City of Thunder Bay, and sundry revenue, and the related assets and liabilities.

The Trust Fund is used to account for monies received from and held in trust for the residents of the Home. Interest earned on these funds is recorded on a cash basis.

(b) Fixed assets -

Fixed assets are charged to current expenditures unless financed by long-term debt. Fixed assets are included in the balance sheet only to the extent of the balance of the related net long-term liabilities outstanding at the end of the fiscal year. At December 31, 1987 and 1986 there were no long-term liabilities.

Thorne Ernst & Whinney
Chartered Accountants

Box 726
109-105 N. May Street
Thunder Bay, Ontario, Canada
P7C 4W6

(807) 623-5575

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the City of Thunder Bay

We have examined the balance sheet of Grandview Lodge Home for the Aged as at December 31, 1987, and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Home as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

March 29, 1988
Licence No. 1086

GRANDVIEW LODGE HOME FOR THE AGED

BALANCE SHEET

	December 31 1987	1986
ASSETS		
CURRENT ASSETS		
Cash	$ 2,800	$ 2,800
Grants receivable from Province of Ontario	1,244,052	952,040
Due from Residents' Trust Fund	27,034	36,098
Other accounts receivable	185,866	160,319
	$1,459,752	$1,151,257
LIABILITIES		
CURRENT LIABILITIES		
Due to City of Thunder Bay	$1,456,736	$1,148,453
Unexpended donations (note 2)	3,016	2,804
	$1,459,752	$1,151,257

The accompanying notes to the financial statements are an integral part of this financial statement.

GRANDVIEW LODGE HOME FOR THE AGED

STATEMENT OF OPERATIONS

	Year ended December 31 1987	1986
SOURCES OF FINANCING		
Province of Ontario grants	$4,980,074	$4,333,561
Residents' payments for maintenance	2,214,169	2,162,532
City of Thunder Bay	1,312,948	1,029,540
Other	266,462	273,849
	$8,773,653	$7,799,482
EXPENDITURE		
Residents' social services, activities and comforts	$ 457,222	$ 439,958
Dietary services	1,476,008	1,373,186
Residents' medical, nursing services	3,779,813	3,393,620
Housekeeping services	550,282	490,097
Laundry and linen services	504,103	475,028
Educational services	99,594	89,037
Building and property, operations and maintenance	680,199	649,623
General and administrative	700,665	703,026
Approved drugs and pharmaceuticals	182,044	176,696
Capital expenditures		
Master plan	179,249	-
Vehicle	94,893	-
Equipment	65,355	-
Renovations	-	6,843
Other	4,226	2,368
	$8,773,653	$7,799,482

The accompanying notes to the financial statements are an integral part of this financial statement.

GRANDVIEW LODGE HOME FOR THE AGED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

(a) The financial statements of Grandview Lodge Home for the Aged are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of certain assets and liabilities is dependent on future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.

(c) Trust Funds

Trust funds and their related operations administered by the Home are not consolidated but are reported separately on the Trust Funds statement of continuity and balance sheet. Trust funds represent funds held in trust for the residents of the Home. Interest earned on these funds is recorded on a cash basis.

2. UNEXPENDED DONATIONS

The unexpended donations are to be used for the betterment of residents' lives.

Transactions for the year are as follows:

	1987	1986
Unexpended donations at beginning of year	$2,804	$3,566
Revenue		
Donations	3,968	9,754
Expenditures		
Equipment and furnishings	3,756	10,516
	$3,016	$2,804

Thorne Ernst & Whinney
Chartered Accountants

Box 726
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Thunder Bay, Ontario, Canada
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(807) 623-5575

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the City of Thunder Bay

We have examined the balance sheet of the Residents' Trust Fund of Grandview Lodge Home for the Aged as at December 31, 1987 and the statement of continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

Due to their nature, amounts received by the residents' trust fund on behalf of residents are not susceptible to complete audit verification. Accordingly our verification of such receipts was limited to accounting for the amounts recorded in the records.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to trust fund capital receipts described in the preceding paragraph, these financial statements present fairly the financial position of the trust fund of the Home as at December 31, 1987 and the continuity of trust funds for the year then ended in accordance with accounting principles disclosed in note 1 to these financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

March 29, 1988
Licence No. 1086

Member of Ernst & Whinney International

GRANDVIEW LODGE HOME FOR THE AGED

RESIDENTS' TRUST FUND

STATEMENT OF CONTINUITY

	Year ended December 31 1987	1986
BALANCE AT BEGINNING OF YEAR	$1,999,279	$1,955,037
Residents' net withdrawals	(108,871)	(118,200)
Interest earned	157,260	162,442
	48,389	44,242
BALANCE AT END OF YEAR	$2,047,668	$1,999,279

BALANCE SHEET

	December 31 1987	1986
ASSETS		
CURRENT ASSETS		
Cash	$ 174,824	$ 235,377
Term deposits (at face value)	1,899,878	1,800,000
	$2,074,702	$2,035,377
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to revenue fund	$ 27,034	$ 36,098
FUND BALANCE	2,047,668	1,999,279
	$2,074,702	$2,035,377

GRANDVIEW LODGE HOME FOR THE AGED

RESIDENTS' TRUST FUND

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICY

Basis of Accounting
Revenues are accounted for on the cash basis.

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Board Members, Members of Council,
Inhabitants and Ratepayers of The
Corporation of The City of Thunder Bay

We have examined the balance sheet of the Thunder Bay North Downtown Improvement Area as at December 31, 1987 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Improvement Area Board as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

BOARD OF MANAGEMENT FOR THE
THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA

BALANCE SHEET

as at December 31, 1987

	1987	1986
	$	$
ASSETS		
Under-levy to be Recovered from Future Tax Levies	-	6,230
Due from City of Thunder Bay	5,304	-
	5,304	6,230
LIABILITIES		
Due to City of Thunder Bay	-	6,230
Over-levy to be Applied to Future Tax Levies	5,304	
	5,304	6,230

BOARD OF MANAGEMENT FOR THE
THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1987

	1987	1986
	$	$
Revenue		
Taxes Levied Including Supplementary Taxes of $3,658 ($8,572 in 1986)	89,887	94,215
Less: Taxes Written Off	(6,726)	(7,807)
	83,161	86,408
Contribution from City of Thunder Bay		36,341
	83,161	122,749
Expenditure		
Advertising and Promotion	8,212	10,154
Consulting	4,510	7,418
Construction Costs	20,296	65,264
Office Furniture		1,676
Salaries and Benefits	32,694	32,696
Travel	159	759
Other	5,756	5,369
	71,627	123,336
Excess (Deficiency) of Revenue over Expenditure	11,534	(587)
Under-levies Beginning of Year	(6,230)	(5,643)
Over-levies (Under-levies) End of Year	5,304	(6,230)

CITY OF THUNDER BAY

THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Board Members, Members of Council,
Inhabitants and Ratepayers of The
Corporation of The City of Thunder Bay

We have examined the balance sheet of the Victoriaville Business Improvement Area as at December 31, 1987 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Improvement Area Board as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

BOARD OF MANAGEMENT FOR THE
VICTORIAVILLE BUSINESS IMPROVEMENT AREA

BALANCE SHEET

as at December 31, 1987

	1987	1986
	$	$
ASSETS		
Cash	3,000	-
LIABILITIES		
Due to City of Thunder Bay	3,000	-

BOARD OF MANAGEMENT FOR THE
VICTORIAVILLE BUSINESS IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1987

	1987	1986
	$	$
Revenue		
Taxes Levied Including Supplementary Taxes of $4,494 ($4,664 in 1986)	104,494	104,664
Less: Taxes Written Off	(7,275)	(5,082)
	97,219	99,582
Contribution from City of Thunder Bay	65,850	86,651
	163,069	186,233
Expenditure		
Advertising and Promotion	27,218	20,684
Consulting	51,070	116,894
Construction	83,026	89,937
Other	1,755	1,609
	163,069	229,124
Excess (Deficiency) of Revenue over Expenditure	-	(42,891)
Over-levy Beginning of Year	-	42,891
Over-levy End of Year	-	-

CITY OF THUNDER BAY

VICTORIAVILLE BUSINESS IMPROVEMENT AREA

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.

ACCOUNTANT'S COMMENTS

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

ACCOUNTANTS' REPORT

Our examination of the financial statements of The Corporation of The City of Thunder Bay for the year ended December 31, 1987 was made for the purpose of forming an opinion on the consolidated financial statements and trust funds statement of continuity and balance sheet referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers of The Corporation of The City of Thunder Bay dated April 12, 1988.

The supplementary information identified in the index is provided for purposes of additional analysis and is not a required part of the basic financial statements referred to above.

We have, however, performed the following procedures in connection with the supplementary information as identified for the year ended December 31, 1987:

(a) We have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement.

(b) We have added and cross-added all schedules.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the basic financial statements and accordingly we do not express an opinion on the fair presentation of the information referred to above.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY 1

for the year ended December 31, 1987

	1987 Budget	1987 Actual	1986 Actual
	$	$	$
Accumulated Net Revenue at the Beginning of Year	5,317,364	5,311,085	5,977,721
Expenditure			
General Government	8,416,088	8,212,822	7,543,445
Protection to Persons and Property	26,163,314	26,486,651	24,909,273
Transportation Services	26,587,516	24,041,998	24,283,686
Environmental Services	18,743,334	17,125,622	15,646,281
Health Services	1,140,796	1,120,078	1,138,328
Social and Family Services	30,771,298	31,013,922	28,058,612
Recreation and Cultural Services	18,781,329	18,644,140	17,572,468
Planning and Development	3,139,675	3,230,047	3,083,955
	133,743,350	129,875,280	122,236,048
Revenue			
Taxation	49,324,500	49,535,367	45,329,605
Payments in Lieu of Taxes	4,487,900	4,630,300	4,114,641
Ontario Grants	50,004,550	50,414,732	47,136,287
Government of Canada Grants	12,600	29,841	217,549
Other Municipal Grants	36,400	36,895	48,204
Fees and Service Charges	22,632,200	22,349,621	20,815,864
Other	4,364,500	6,504,635	3,907,262
	130,862,650	133,501,391	121,569,412
Accumulated Net Revenue at End of Year	2,436,664	8,937,196	5,311,085
Analyzed as Follows:			
General Revenue		4,449,765	965,211
Special Charges	544,329	546,060	544,329
Special Areas		220,610	1,154,262
Local Boards	9,300	24,026	9,278
Municipal Enterprises-Waterworks	1,883,035	3,691,431	2,644,235
Business Improvement Area		5,304	(6,230)
	2,436,664	8,937,196	5,311,085

STATEMENT OF CAPITAL OPERATIONS — CITY OF THUNDER BAY 2

for the year ended December 31, 1987

	1987 Actual	1986 Actual
	$	$
Unexpended Capital Financing at the Beginning of the Year	(1,640,057)	(2,677)
Capital Expenditure		
General Government	413,023	960,372
Protection to Persons and Property	984,063	4,907,521
Transportation Services	6,600,826	5,892,950
Environmental Services	2,482,849	1,803,326
Health Services	4,493	-
Social and Family Services	719,912	356,370
Recreation and Cultural Services	1,946,055	3,117,655
Planning and Development	771,106	629,970
Total Expenditure	13,922,327	17,668,164
Transfer to Revenue Fund	17,186	-
	13,939,513	17,668,164
Capital Financing		
Contributions From the Revenue Fund	5,289,696	5,263,123
Contributions From Reserve Fund and Reserves	3,347,886	4,706,669
Long Term Liabilities Incurred	3,150,000	2,317,000
Ontario Grants	3,571,025	4,187,636
Other	1,271,573	2,331,116
Total Capital Financing	16,630,180	19,305,544
Unexpended Capital Financing at the End of the Year	(4,330,724)	(1,640,057)

for the year ended December 31, 1987

	Gross Expenditure	Less Appropriations to Own Funds: Capital Fund	Reserve Fund	Reserves	Net Expenditure
General Government	8,212,822	286,381	967,711	75,420	6,883,310
Protection to Persons and Property					
Fire	11,093,327	50,316		323,500	10,719,511
Police	13,576,882	521,113	1,700	150,000	12,904,069
Conservation Authority	282,271				282,271
Protective Inspection & Control	1,432,616	171,406		24,300	1,236,910
EMO and Flood Control	101,555				101,555
	26,486,651	742,835	1,700	497,800	25,244,316
Transportation Services					
Roadways	9,141,118	1,263,772	624,613	93,145	7,159,588
Winter Control	1,503,971	50,631		94,500	1,358,840
Transit	9,418,778	148,085	540,704	150,436	8,579,553
Parking	2,283,153		488,473		1,794,680
Street Lighting	1,267,822	243,387	143,910		880,525
Unclassified	427,156	80,544	101,348	41,211	204,053
	24,041,998	1,786,419	1,899,048	379,292	19,977,239
Environmental Services					
Sanitary Sewer System	6,054,032	70,755	483,745	38,500	5,461,032
Storm Sewer System	1,215,088	148,993	346,191	23,500	696,404
Waterworks System	6,832,696	883,264	62,221		5,887,211
Garbage Collection	2,285,706	46,347		192,500	2,046,859
Garbage Disposal	723,175	52,494			670,681
Pollution Control	14,925				14,925
	17,125,622	1,201,853	892,157	254,500	14,777,112
Health Services					
Public Health Services	758,829				758,829
Hospitals	41,730				41,730
Cemeteries	319,519	4,493			315,026
	1,120,078	4,493			1,115,585
Social and Family Services					
General Assistance	10,477,941	149,400	5,500	10,900	10,312,141
Assistance to Aged Persons	17,254,067	68,670	178,468		17,006,929
Assistance to Children	1,041,119				1,041,119
Day Nurseries	1,786,065	16,117	2,400		1,767,548
Assistance to Physically Disabled	454,730				454,730
	31,013,922	234,187	186,368	10,900	30,582,467
Recreation and Cultural Services					
Parks and Recreation	13,535,930	772,700	1,332,294	46,138	11,384,798
Libraries	3,715,401	109,207		49,049	3,557,145
Other Cultural	1,392,809				1,392,809
	18,644,140	881,907	1,332,294	95,187	16,334,752
Planning and Development					
Planning and Zoning	1,246,852	2,118			1,244,734
Commercial and Industrial	1,874,325	149,503	193,986	18,500	1,512,336
Residential Development	90,752				90,752
Agriculture and Reforestation	150				150
South Core Revitalization	17,968				17,968
	3,230,047	151,621	193,986	18,500	2,865,940
Total	129,875,280	5,289,696	5,473,264	1,331,599	117,780,721

for the year ended December 31, 1987

	$
Balance at the Beginning of the year	3,557,820
Additions During the Year	
Taxation	92,447,352
Amounts Added to Tax Bills for Collection Purposes Only	20,980
Penalties and Interest	504,020
Total Additions	92,972,352
Reductions During the Year	
Collection of Taxes	
Current Year	88,714,733
Previous Years	2,453,919
Penalties and Interest	491,313
Taxes Transferred to Tax Registration Account	55,499
Taxes Written Off	
General Purposes	801,782
Charged to School Boards	675,464
Total Reductions	93,192,710
Balance at the End of the Year	3,337,462
Deduct: Allowance for Uncollectible Taxes	(359,462)
Net Balance at the End of the Year	2,978,000

ANALYSIS OF THE BALANCE AT THE END OF THE YEAR BY YEAR

Taxes Unpaid from 1987	2,274,567
1986	786,232
Prior Years	91,089
Penalties and Interest	185,574
Total	3,337,462

STATEMENT OF CONTINUITY OF RESERVE FUNDS

CITY OF THUNDER BAY 3-4

for the year ended December 31, 1987

	Total	Capital Financing	Capital Expenditure	Capital	Sewage Treatment Plant Contingency	McVicars Creek	Subdivision Deposit for Public Purposes	Parking Revenue	Stabilization of Foreign Exchange
	$	$	$	$	$	$	$	$	$
Balance at Beginning of Year	27,959,232	2,893,673	4,411,460		867,377	145,583	1,381,953	58,227	762,706
Revenue									
Earned Interest	2,548,986	304,799		84,484	87,088	11,205	113,700	4,909	55,596
Contribution from Revenue Fund	5,528,594	560,027	3,353,217	1,008,994				251,004	115,000
Contribution from Revenue Fund - Waterworks	62,221	33,183							29,038
Contribution from Parking Facility Reserve Fund	133,453	133,453							
Contribution from Community Auditorium	73,597	73,597							
Contribution from Telephone	53,220								53,220
Contribution from Hydro	71,042								71,042
Provincial Grant	13,000								
Contribution from Developers	183,108						183,108		
	8,667,221	1,105,059	3,353,217	1,093,478	87,088	11,205	296,808	255,913	323,896
Expenditure									
Contribution to Capital Fund for Capital Expenditures	2,755,588	481,020	2,106,340				157,982		
Transfer to Revenue Fund	1,559,719		9,719						
Repayment of Provincial Loan	14,333					14,333			
Exchange on U.S. Debentures	399,503								399,503
Transfer to Capital Financing Reserve Fund	133,453							133,453	
Economic Development	19,000								
Contribution to Telephone	98,000	98,000							
Insurance Claims	83,934								
Parking Authority Expenditure - Net	117,551							117,551	
	5,181,081	579,020	2,116,059			14,333	157,982	251,004	399,503
Balance at End of Year	31,445,372	3,419,712	5,648,618	1,093,478	954,465	142,455	1,520,779	63,136	687,099

STATEMENT OF CONTINUITY OF RESERVE FUNDS

for the year ended December 31, 1987

	Community Centres	Golf Course Improvements	Benefit Rate Stabilization Reserve Fund	Debenture Redemption Reserve Fund	Fire Collision & Compensation	Sick Pay Liability Reserve Fund	Economic Development	M.O.E. Contingency
	$	$	$	$	$	$	$	$
Balance at Beginning of Year	80,758	25,640	1,185,218	5,086,438	5,889,521	5,026,620		144,058
Revenue								
Earned Interest	6,599	2,139	102,090	526,363	637,250	592,979	4,110	15,675
Contribution from Revenue Fund		29,873			110,479		100,000	
Contribution from Revenue Fund - Waterworks								
Contribution from Parking Facility Reserve Fund								
Contribution from Community Auditorium								
Contribution from Telephone								
Contribution from Hydro								
Provincial Grant	13,000							
Contribution from Developers								
	19,599	32,012	102,090	526,363	747,729	592,979	104,110	15,675
Expenditure								
Contribution to Capital Fund for Capital Expenditures	330	9,916						
Transfer to Revenue Fund					1,550,000			
Repayment of Provincial Loan								
Exchange on U.S. Debentures								
Transfer to Capital Financing Reserve Fund								
Economic Development							19,000	
Contribution to Telephone								
Insurance Claims					83,934			
Parking Authority Expenditure - Net								
	330	9,916			1,633,934		19,000	
Balance at End of Year	100,027	47,736	1,287,308	5,612,801	5,003,316	5,619,599	85,110	159,733

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT

To the Board Members, Members of Councils, Inhabitants and Ratepayers of the Participating Municipalities as Listed in Note 6

We have examined the balance sheet of the Thunder Bay District Health Unit as at December 31, 1987 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Health Unit as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

January 25, 1988
Licence No. 1086

THUNDER BAY DISTRICT HEALTH UNIT

BALANCE SHEET

	December 31 1987	1986
ASSETS		
Unrestricted		
Cash	$196,043	$ 59,558
Accounts receivable (note 2)	21,855	22,301
Due from Province of Ontario (note 3)	-	131,465
Due from reserve fund	1,157	-
	219,055	213,324
Restricted		
Cash	11,714	5,387
Bank term deposits, maturing 1989-1991	70,000	70,000
Accrued interest receivable	4,508	4,403
	86,222	79,790
Less amount due to revenue fund	1,157	-
	85,065	79,790
	$304,120	$293,114
LIABILITIES		
Bank indebtedness	$ -	$ 79,075
Accounts payable and accrued liabilities	124,033	64,474
Due to Province of Ontario (note 3)	67,803	-
	191,836	143,549
FUND BALANCES AT END OF YEAR		
To be applied against municipal contributions in subsequent year (note 4)	7,959	12,140
Unexpended capital financing (note 4)	-	38,375
Reserve (note 5)	19,260	19,260
Reserve funds (note 5)	85,065	79,790
	112,284	149,565
	$304,120	$293,114

Contingency (note 11)

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT

STATEMENT OF OPERATIONS

	Year ended December 31 1987	1986
SOURCES OF FINANCING		
Province of Ontario grants		
Share of net cost of operation	$2,303,027	$2,065,488
Unorganized area service income	151,787	133,029
N.O.P.H.S. area service income	128,193	147,049
Family planning program	161,121	151,924
Genetic counselling program	37,600	35,477
Speech pathology program	83,264	108,756
Aids education and coordination program	4,879	-
Dental treatment program	1,886	-
STD Clinic	11,022	11,539
	2,882,779	2,653,262
Municipal levies (note 6)	697,500	671,875
Pre natal fees	4,349	4,141
Vaccine fees	2,017	1,842
Interest earned	28,087	24,535
Student program - Challenge '87	5,474	4,944
Miscellaneous	617	3,156
	3,620,823	3,363,755
FUND BALANCES AT BEGINNING OF YEAR		
To be applied against municipal contributions	12,140	18,994
Unexpended capital financing	38,375	60,498
	50,515	79,492
Total financing available during the year	$3,671,338	$3,443,247

	Year ended December 31 1987	1986
APPLIED TO		
Current operations		
Personal services (notes7 and 8)	$2,889,473	$2,727,369
Travel	193,556	183,852
Materials and supplies	90,585	74,291
Rent and utility services	119,308	118,313
Other expenses	159,777	128,828
	3,452,699	3,232,653
Capital expenditures		
Equipment	41,741	24,100
Building	163,664	111,358
	205,405	135,458
Net appropriations to reserve and reserve funds (note 9)	5,275	24,621
FUND BALANCES AT END OF YEAR (note 4)		
To be applied against municipal contributions in subsequent year	7,959	12,140
Unexpended capital financing	-	38,375
	7,959	50,515
Total applications during the year	$3,671,338	$3,443,247

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

The financial statements of the Health Unit are the representations of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Presentation

These statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of the Board.

All inter-fund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Board and the resulting interest income and expenditures.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation of fixed assets are not reported for the Board's purposes. Fixed assets are reported as an expenditure on the statement of operations in the year of acquisition.

(iv) Any surplus (deficit) of the revenue fund is applied against contributions required from participating municipalities in the subsequent year on the basis of the current year's sharing ratio.

(c) Reserve Fund for Municipal Portion of Severance Plan Allowances

Personnel policies provide that unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Health Unit's employment. A reserve fund has been accumulated to provide funds to meet the municipal portion of such payments. The balance of such payments will be recovered from the Province of Ontario in the year of termination.

2. ACCOUNTS RECEIVABLE

Included in accounts receivable is a $17,000 note receivable from the executive officer. This note is non-interest bearing and is secured by a demand promissory note.

3. DUE FROM (TO) PROVINCE OF ONTARIO

	1987	1986
General programs and unorganized area services	$ 13,214	$130,320
Family planning	6,465	16,019
Speech pathology	(43,418)	(15,743)
Genetic counselling program	(558)	(2,409)
Aids Program	4,879	-
Dental Treatment Program	(50,156)	-
STD Clinics	1,771	3,278
	$(67,803)	$131,465

4. FUND BALANCES AT END OF YEAR

The balances on the statement of operations of the Board's equity of $7,959 (1986, $50,515) at the end of the year are comprised of the following:

	1987	1986
- to be applied to operations of the operating fund for the following year	$ 7,959	$ 12,140
- funds available for acquisition of fixed assets	-	38,375
	$ 7,959	$ 50,515

5. RESERVES AND RESERVE FUNDS

The total balances of reserves and reserve funds of $19,260 (1986, $19,260) and $85,065 (1986, $79,790) respectively, are made up of the following:

	1987	1986
Reserve set aside for specific purpose by the Board		
- capital fund contingencies	$19,260	$19,260
Reserve funds set aside for specific purpose by the Board		
- for severance plan allowance	$78,943	$76,840
- for retirement plan allowance	6,122	2,950
Total reserve funds	$85,065	$79,790

Analysis of Reserve Funds

Balance at beginning of year	$79,790	$71,199
Provision from revenue fund	2,950	2,950
Interest earned	7,508	9,664
	10,458	12,614
Municipal portion of severance plan payments	5,183	4,023
Balance at end of year	$85,065	$79,790

6. MUNICIPAL LEVIES

	1987	1986
City of Thunder Bay	$542,301	$523,354
Town of Geraldton	13,597	13,121
Town of Longlac	10,884	10,503
Township of Beardmore	2,728	2,633
Township of Conmee	2,926	2,823
Township of Dorion	2,420	2,335
Township of Gillies	2,188	2,117
Township of Manitouwadge	16,735	16,149
Township of Marathon	14,720	14,205
Township of Nakina	4,415	4,261
Township of Neebing	4,034	3,893
Township of Nipigon	11,529	11,126
Township of O'Connor	3,109	3,000
Township of Oliver	11,250	10,856
Township of Paipoonge	13,028	12,572
Township of Red Rock	7,293	7,037
Township of Schreiber	9,115	8,796
Township of Shuniah	8,642	8,340
Township of Terrace Bay	12,686	12,242
Fort William Indian Band	2,603	2,512
Rocky Bay Indian Band	1,297	-
	$697,500	$671,875

7. PERSONAL SERVICES

Expenditure for personal services includes an amount of $20,734 (1986, $16,093) for severance plan payments.

8. PENSION AGREEMENTS

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 80 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employee based on the length of service and rates of pay.

The amount contributed to OMERS for current service for 1987 was $121,072 (1986, $119,518). This is included as an expenditure on the statement of operations.

9. NET APPROPRIATIONS TO RESERVE AND RESERVE FUNDS

	1987	1986
Provision for retirement plan allowance	$ 2,950	$ 2,950
Provision for capital fund contingencies	-	16,030
Interest earned	7,508	9,664
	10,458	28,644
Municipal portion of severance plan payments	5,183	4,023
	$ 5,275	$ 24,621

10. FIXED ASSETS

At December 31, 1987 the historical cost of fixed assets not reported for the Board's purposes (note 1(b)(iii)) was as follows:

	1987	1986
Land	$ 114,920	$ 114,920
Buildings	2,860,911	2,697,248
Equipment	287,088	245,346
	$3,262,919	$3,057,514

11. CONTINGENCY

The Thunder Bay District Health Unit is one of several defendants in a lawsuit claiming damages of approximately $45,000,000 relating to an immunization procedure carried out in 1981. The litigation is in its preliminary stages and the outcome is not currently determinable. The Health Unit has insurance coverage in the amount of $5,000,000 to cover its portion of any successful settlement with respect to this action.

12. COMPARATIVE FIGURES

Certain 1986 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1987.

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Participating Municipalities

The audited financial statements of the Thunder Bay District Health Unit and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position and results of operations of the Health Unit. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

January 25, 1988
Licence No. 1086

THUNDER BAY DISTRICT HEALTH UNIT

SCHEDULE OF PROGRAM EXPENDITURES

	General programs	Family planning programs	Genetic counselling programs
PERSONAL SERVICES			
Medical officer	$ 84,767	$ -	$ -
Medical staff, part-time	8,633	14,940	3,700
Nursing	1,151,587	94,790	22,086
Public health inspection	313,770	-	-
Dental	143,954	-	-
Health promotion and librarian	100,397	-	-
Nutritionist	34,236	-	-
Speech pathologist	-	-	-
Administration	423,831	9,183	-
Board members	2,500	-	-
Fringe benefits	308,885	8,658	1,287
Severance plan allowances	20,734	-	-
	2,593,294	127,571	27,073
TRAVEL			
Staff	147,055	5,523	5,696
Board members	5,383	-	-
	152,438	5,523	5,696
MATERIALS AND SUPPLIES			
Office and postage	39,518	-	-
Health promotion	4,740	-	-
Medical, nursing, speech program, genetic counselling	15,238	9,453	641
Dental	13,453	-	-
Health inspection	2,169	-	-
	75,118	9,453	641
RENT, MAINTENANCE AND UTILITY SERVICES			
Electric heat, lights, water	32,766	-	-
Maintenance, snow removal	11,345	-	-
Janitorial services and supplies	17,304	-	-
Branch offices	15,841	-	-
Telephone	33,954	-	512
	111,210	-	512
OTHER EXPENSES			
Conventions and courses	29,062	2,184	827
Professional fees	24,268	-	-
Insurance	16,933	-	-
Advertising	7,679	115	-
Maintenance and repairs	16,360	-	-
Subscriptions and publications	7,154	-	-
Films	2,071	-	-
Bank service charges	82	-	-
Data processing	31,352	-	-
Accreditation fees	2,382	-	-
Miscellaneous	8,049	-	-
	145,392	2,299	827
Allocated costs	(39,548)	15,688	2,851
Total expenditures	$3,037,904	$160,534	$37,600

Speech pathology programs	N.O.P.H.S.	Dental treatment program	Aids education and coordination program	Year ended December 31 Total 1987	Total 1986
$ -	$ -	$ -	$ -	$ 84,767	$ 81,505
-	-	-	-	27,273	26,214
-	18,781	-	2,050	1,289,294	1,219,938
-	26,958	-	-	340,728	315,453
-	-	325	-	144,279	141,552
-	-	-	-	100,397	94,948
-	-	-	-	34,236	33,045
33,310	-	-	-	33,310	56,010
16,624	23,685	-	-	473,323	421,634
-	-	-	-	2,500	2,775
7,232	12,570	-	-	338,632	318,202
-	-	-	-	20,734	16,093
57,166	81,994	325	2,050	2,889,473	2,727,369
3,234	26,665	-	-	188,173	180,127
-	-	-	-	5,383	3,725
3,234	26,665	-	-	193,556	183,852
2,097	811	-	560	42,986	36,590
-	-	-	-	4,740	1,918
1,905	-	-	-	27,237	20,775
-	-	-	-	13,453	12,063
-	-	-	-	2,169	2,945
4,002	811	-	560	90,585	74,291
-	-	-	-	32,766	33,593
-	-	-	-	11,345	14,381
-	-	-	-	17,304	16,082
6,774	-	-	-	22,615	21,565
812	-	-	-	35,278	32,692
7,586	-	-	-	119,308	118,313
844	-	-	-	32,917	29,150
1,500	-	-	-	25,768	12,365
-	-	-	-	16,933	15,453
4,861	-	-	1,816	14,471	5,754
623	-	-	-	16,983	13,779
-	-	-	-	7,154	7,991
-	-	-	177	2,248	2,528
-	-	-	-	82	1,032
-	-	-	-	31,352	29,261
-	-	-	-	2,382	3,225
-	1,162	-	276	9,487	8,290
7,828	1,162	-	2,269	159,777	128,828
3,448	17,561	-	-	-	-
$83,264	$128,193	$325	$4,879	$3,452,699	$3,232,653

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Chartered Accountants

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AUDITORS' REPORT

To The Chairman and Members of
The Hydro-Electric Commission of Thunder Bay

We have examined the balance sheet of The Hydro-Electric Commission of Thunder Bay as at December 31, 1987 and the statements of operations, equity and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1987 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

April 11, 1988

Thorne Ernst & Whinney

Clarkson Gordon

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon
Chartered Accountants
Licence No. 001217

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

BALANCE SHEET

	December 31 1987	1986
ASSETS		
FIXED ASSETS		
Land	$ 152,482	$ 152,482
Buildings	3,890,633	3,573,305
Transformation equipment	4,050,685	3,656,233
Distribution equipment	41,675,274	38,328,425
Hot water heaters	1,323,212	1,024,324
Rolling stock	1,746,838	1,483,822
General office equipment	1,124,400	951,751
Other equipment	541,299	477,514
	54,504,823	49,647,856
Less accumulated depreciation	20,163,450	18,311,864
	34,341,373	31,335,992
Construction in progress	474,445	182,603
	34,815,818	31,518,595
CURRENT ASSETS		
Cash	3,154,548	3,791,652
Investments (note 2)	2,341,221	2,925,270
Accounts receivable	2,788,179	2,745,913
Unbilled revenue	5,004,851	4,433,243
Accrued interest receivable	118,574	155,815
Stores inventory	1,824,125	1,533,935
Prepaid expenses	46,818	62,341
	15,278,316	15,648,169
DEFERRED CHARGES		
Unamortized debt discount	17,774	19,723
Unamortized past service pension cost	762,023	882,296
Unamortized cost of OMERS past service amendment	104,230	-
	884,027	902,019
EQUITY IN THE ONTARIO HYDRO SYSTEM (note 3)	44,079,723	41,250,511
	$95,057,884	$89,319,294

	December 31 1987	1986
LIABILITIES AND EQUITY		
LONG-TERM DEBT		
Long-term liabilities financed by the municipality (note 4)	$ 1,724,000	$ 1,844,000
Past service pension liability (note 5)	762,023	882,296
	2,486,023	2,726,296
Less current portion of long-term debt (notes 4 and 5)	260,892	240,272
	2,225,131	2,486,024
CURRENT LIABILITIES		
Accounts payable	5,004,202	4,579,839
Accrued wages	89,813	64,095
Accrued interest payable	7,642	8,195
Accrued employees' sick leave credits	43,390	41,615
Customer deposits	310,473	272,590
Current portion of long-term debt	260,892	240,272
	5,716,412	5,206,606
DEFERRED CREDIT		
Contributions in aid of construction (note 6)	3,023,636	2,237,105
RESERVE FOR EQUITY IN THE ONTARIO HYDRO SYSTEM	44,079,723	41,250,511
EQUITY	40,012,982	38,139,048
	$95,057,884	$89,319,294

Accrued vacation pay (note 11)
Contingent liability (note 12)

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF OPERATIONS

	Year ended December 31 1987	1986
Revenues from the sale of energy (note 7)	$53,737,941	$50,818,541
Cost of bulk power purchased	45,205,945	43,274,790
Gross margin on energy sales	8,531,996	7,543,751
Other operating revenue (note 8)	1,273,379	1,359,973
	9,805,375	8,903,724
Operating and maintenance expenses		
Distribution system	1,316,009	1,224,685
Customer premises	210,547	185,194
Meters and devices	290,357	215,086
Line transformers	307,592	196,304
Substations	965,431	814,852
	3,089,936	2,636,121
Administrative expenses		
Billing and collecting	1,311,585	1,235,537
General	923,601	849,314
Customer information and services	450,405	407,819
	2,685,591	2,492,670
Depreciation (note 9)	2,085,503	1,858,242
Amortization of contributions in aid of construction (note 6)	(123,666)	(87,257)
	1,961,837	1,770,985
	7,737,364	6,899,776
Net operating income before financial expense	2,068,011	2,003,948
Financial expense		
Interest on long-term debt	245,495	265,175
Foreign exchange	71,042	83,651
	316,537	348,826
NET INCOME	$ 1,751,474	$ 1,655,122
APPROPRIATION FOR		
Debt retirement	$ 120,000	$ 110,000
Accumulated net income invested in plant or held as working capital	1,631,474	1,545,122
	$ 1,751,474	$ 1,655,122

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF EQUITY

	Year ended December 31	
	1987	1986
ACCUMULATED FROM CAPITAL SOURCES		
Long-term debt paid		
Balance at beginning of year	$ 4,707,262	$ 4,597,262
Appropriated from net income	120,000	110,000
Balance at end of year	4,827,262	4,707,262
Contributions in aid of construction prior to 1980	4,646,255	4,646,255
	9,473,517	9,353,517
ACCUMULATED NET INCOME		
Balance at beginning of year	28,785,531	27,082,766
Appropriated from net income	1,631,474	1,545,122
Increase in rehabilitation reserve, Thunder Bay Hydro building (note 10)	122,460	157,643
	30,539,465	28,785,531
	$40,012,982	$38,139,048

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF CHANGES IN CASH POSITION

	Year ended December 31 1987	1986
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net income	$ 1,751,474	$ 1,655,122
Net rental income (note 10)	122,460	157,643
Add charges to operations not requiring a current cash payment		
Depreciation (note 9)	2,313,594	2,035,029
Amortization of debenture debt discount	1,949	1,950
Amortization of contributions in aid of construction	(123,666)	(87,257)
	4,065,811	3,762,487
Change in non-cash operating working capital (note 13)	(362,114)	(438,119)
	3,703,697	3,324,368
INVESTMENTS		
Additions to fixed assets, net	(5,610,817)	(4,681,956)
FINANCING		
Contributions in aid of construction (note 6)	910,197	751,937
Reduction in long-term debt, net of change in unamortized past service pension cost	(120,000)	(110,000)
	790,197	641,937
OTHER		
Increase in unamortized cost of OMERS past service amendment	(104,230)	-
DECREASE IN CASH POSITION	(1,221,153)	(715,651)
Cash position at beginning of year	6,716,922	7,432,573
CASH POSITION AT END OF YEAR	$ 5,495,769	$ 6,716,922
Represented by		
Cash	$ 3,154,548	$ 3,791,652
Investments	2,341,221	2,925,270
	$ 5,495,769	$ 6,716,922

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles prescribed for municipal electrical utilities in Ontario.

Fixed Assets and Depreciation

Fixed assets are stated at cost.

Depreciation is provided on an annual basis on the various categories of fixed assets, except for land and construction in progress, as follows:

(a) General plant and the Thunder Bay Hydro building
Depreciation is provided on the straight-line basis at rates varying from 1.67% to 4%.

(b) Other fixed assets
Depreciation is provided on the straight-line basis at rates varying from 10% to 20%.

Investments

Investments are stated at the lower of cost and market value.

Unbilled Revenue

Unbilled revenue represents energy which has been used by Hydro customers but which will not be billed until the subsequent year.

Stores Inventory

Stores inventory is valued at average cost.

Unamortized Debenture Debt Discount

Debenture discount and expenses are being amortized over the period of the related debenture principal repayment.

Unamortized Past Service Pension Cost

The deferred charge for past service pension cost is being amortized in annual amounts equal to the principal reduction of the related liability.

Unamortized Cost of OMERS Past Service Amendment

The deferred charge for purchase, by the Commission, of OMERS waiting and omission periods is being amortized on a straight-line basis over five years starting in 1988.

Contributions in Aid of Construction

In certain cases, non-refundable contributions are received in aid of construction or in acquisition of fixed assets. Amortization of these contributions is calculated at the same rates as for the fixed assets to which they relate.

1. ACCOUNTING POLICIES (Continued)

Income Recognition

Results of operations of the Thunder Bay Hydro building operations are not included in the statement of operations but are included directly in the statement of equity.

2. INVESTMENTS

Investments, (with a face value of $2,427,000), consist of bank term deposits and treasury bills, maturing within 12 months, bearing interest at 7.65% to 10.43% (1986, 8.33% to 11.30%).

3. EQUITY IN THE ONTARIO HYDRO SYSTEM

Equity in the Ontario Hydro system, shown at $44,079,723 (1986, $41,250,511), is in accordance with latest available information from Ontario Hydro.

4. LONG-TERM LIABILITIES FINANCED BY THE MUNICIPALITY

The debt of $1,724,000 is payable in varying amounts during the years 1988 to 1997.

Included in the long-term liabilities financed by the municipality is an amount of $1,231,000 (1986, $1,322,000) payable in United States dollars. If the liability had been translated into Canadian dollars at the exchange rate prevailing at December 31, 1987, the liability would be increased by $368,000 (1986, $503,000).

The principal amounts payable to maturity are as follows:

	7 3/4% - 9 3/8%	9 1/2% - 10 1/2%	Total
1988	$ 32,000	$ 99,000	$ 131,000
1989	35,000	109,000	144,000
1990	38,000	120,000	158,000
1991	42,000	132,000	174,000
1992	46,000	144,000	190,000
1993-1997	300,000	627,000	927,000
	$493,000	$1,231,000	$1,724,000

5. PAST SERVICE PENSION LIABILITY

The Commission has entered into an agreement to provide past service pension benefits to its employees. The principal outstanding at December 31, 1987 is $762,023 (1986, $882,296) and is being funded by annual instalments of $190,856, including interest, until 1992. The amount of the annual payment is subject to a triennial review of the plan, with the last review occurring in 1983.

Principal due over the term of the agreement is as follows:

1988	$129,892
1989	140,282
1990	151,506
1991	163,626
1992	176,717
	$762,023

6. CONTRIBUTIONS IN AID OF CONSTRUCTION

	1987	1986
Balance, January 1	$ 2,237,105	$ 1,572,425
Contributions from the City of Thunder Bay	169,003	223,219
Contributions from commercial customers	813,549	576,205
Contributions deferred	(72,355)	(47,487)
	910,197	751,937
Amortization	(123,666)	(87,257)
Balance, December 31	$ 3,023,636	$ 2,237,105

7. REVENUES FROM THE SALE OF ENERGY

	1987	1986
Commercial and industrial	$32,252,380	$30,425,127
Residential	20,283,067	19,868,187
Municipal street lighting	630,887	602,382
Unbilled revenue adjustment	571,607	(77,155)
	$53,737,941	$50,818,541

8. OTHER OPERATING REVENUE

	1987	1986
Water heater rentals	$ 237,567	$ 213,090
Pole line rentals	140,370	149,739
Interest earned	425,835	549,630
Sundry earnings	469,607	447,514
	$1,273,379	$1,359,973

9. DEPRECIATION

Depreciation provided during the year consists of:

	1987	1986
Depreciation of general plant	$1,838,604	$1,677,400
Depreciation of hot water heaters	105,504	69,644
Depreciation of office and data processing equipment	141,395	111,198
	2,085,503	1,858,242
Depreciation of other fixed assets, included in relevant expense categories in the Statement of Operations	186,810	139,232
Depreciation of Thunder Bay Hydro building included in the Schedule of Thunder Bay Hydro Building Operations	41,281	37,555
	$2,313,594	$2,035,029

10. REHABILITATION RESERVE, THUNDER BAY HYDRO BUILDING

	1987	1986
Balance, January 1	$ 832,112	$ 674,469
Net rental income	122,460	157,643
Balance, December 31	$ 954,572	$ 832,112

The rehabilitation reserve, Thunder Bay Hydro building represents the accumulated net income derived from the rental operations of the Thunder Bay Hydro building.

11. ACCRUED VACATION PAY

No provision has been made in these financial statements for accrued vacation pay of $530,878 (1986, $438,591).

12. CONTINGENT LIABILITY

The Hydro-Electric Commission of Thunder Bay purchased a sub-transmission line from Ontario Hydro in 1972. While it is the understanding of the Commission that the purchase price included the land on which the line is situated, Ontario Hydro is claiming title to the land. This matter is presently being handled by the solicitors and any financial consequence resulting from the outcome of the dispute is not determinable at this time.

13. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	1987	1986
Cash provided by (used for):		
Accounts receivable	$ (42,266)	$ 48,675
Unbilled revenue	(571,608)	77,155
Accrued interest receivable	37,241	(89,341)
Stores inventory	(290,190)	(94,848)
Accounts payable	424,363	(264,135)
Accrued wages	25,718	(159,657)
Customer deposits	37,883	92,310
Miscellaneous	16,745	(48,278)
	$(362,114)	$(438,119)

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

The Hydro-Electric Commission of Thunder Bay
Thunder Bay, Ontario

The audited financial statements of the Commission and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations, or changes in cash position of the Commission. Such information has been subjected to the auditing procedures applied in our examination of the statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

April 11, 1988

Thorne Ernst & Whinney

Clarkson Gordon

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon
Chartered Accountants
Licence No. 001217

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

SCHEDULE OF THUNDER BAY HYDRO BUILDING OPERATIONS

	Year ended December 31 1987	1986
Gross rentals	$701,895	$703,645
Less expenses		
Wages and employee fringe benefits	219,065	215,566
Fuel	18,078	21,137
Water, light and telephone	39,525	36,465
Insurance	8,476	11,383
Municipal taxes	110,924	101,973
Repairs and maintenance supplies	118,387	98,345
Parking lot expense	21,016	20,557
Interest on long-term debt	2,683	3,021
Depreciation	41,281	37,555
	579,435	546,002
NET RENTAL INCOME (Transferred to Rehabilitation Reserve, Thunder Bay Hydro building)	$122,460	$157,643

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Board Members, Members of Council,
Inhabitants and Ratepayers of the
Participating Municipalities As Listed
in Note 2

We have examined the balance sheet and the statement of revenue and expenditure of the Thunder Bay Area Emergency Measures Organization for the year ended December 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Thunder Bay Area Emergency Measures Organization as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

THUNDER BAY EMERGENCY MEASURES ORGANIZATION

BALANCE SHEET

as at December 31, 1987

	1987	1986
	$	$
Assets		
Due from City of Thunder Bay Revenue Fund	Nil	5,000
Liabilities		
Vehicle Replacement Reserve	Nil	5,000

THUNDER BAY AREA EMERGENCY MEASURES ORGANIZATION

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1987

	1987 Budget	1987 Actual	1986 Actual
	$	$	$
REVENUE			
Federal Grant	25,000	2,282	24,604
Provincial Grant	-	738	10,353
Building Rentals	-	-	6,884
Municipal Grants	58,189	78,900	55,643
Transfer from Reserve	-	771	-
Other Revenue	-	-	206
	83,189	82,691	97,690
EXPENDITURE			
Salaries, Wages and Benefits	65,339	70,463	73,186
Hiring Costs	-	-	1,530
Travel	2,200	2,030	3,857
Building Maintenance	100	159	4,599
Office Supplies and Other Expenses	5,050	4,402	5,290
Mobile Equipment Maintenance	3,100	3,374	3,079
Communications Equipment	1,300	1,013	453
Purchase of Equipment	5,000	878	-
Provision for Reserve-Vehicle Replacement	-	-	5,000
Other	1,100	372	696
	83,189	82,691	97,690

THUNDER BAY AREA EMERGENCY MEASURES ORGANIZATION
CONTINUITY OF VEHICLE REPLACEMENT RESERVE

for the year ended December 31, 1987

	$
Balance at the Beginning of the Year	5,000
Contribution for Vehicle Purchase	(4,229)
Transfer to Revenue Fund	(771)
Balance at the End of the Year	Nil

CITY OF THUNDER BAY

THUNDER BAY AREA EMERGENCY MEASURES ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.

2. MUNICIPAL LEVIES

	1987	1986
Beardmore	$ 306	$ 251
Conmee	328	222
Dorion	271	193
Geraldton	1,525	1,136
Gillies	245	182
Longlac	1,222	927
Manitouwadge	2,441	1,203
Marathon	2,163	883
Nakina	495	401
Neebing	453	309
Nipigon	1,294	967
O'Connor	349	248
Oliver	1,262	898
Paipoonge	1,462	1,044
Red Rock	818	603
Schreiber	1,022	735
Shuniah	970	691
Terrace Bay	1,424	1,015
Thunder Bay	60,850	43,735
	$78,900	$55,643

AUDITORS' REPORT

To the Directors of the
City of Thunder Bay
Non-Profit Housing Corporation.

We have examined the financial statements of the City of Thunder Bay Non-Profit Housing Corporation as at December 31, 1987 consisting of the following:

Statement 1 - Balance Sheet
Statement 2 - Sequoia Park - Statement of Income and Accumulated Surplus (Deficit)
Statement 3 - Glenwood Court - Statement of Operations
Statement 4 - Paterson Court - Statement of Operations
Statement 5 - Andras Court - Statement of Income and Accumulated Surplus
Statement 6 - Royal Edward Arms - Statement of Operations
Statement 7 - Blucher Park - Statement of Operations
Statement 8 - McLaughlin Court - Statement of Operations
Statement 9 - Ross Court - Statement of Operations
Statement 10 - Wilson Court - Statement of Operations
Statement 11 - Picton II - Statement of Operations
Statement 12 - Other Projects - Statement of Operations
Statement 13 - Statement of General and Administrative Expenses

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Thunder Bay, Canada,
April 12, 1988.

Chartered Accountants.

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

BALANCE SHEET

DECEMBER 31, 1987
(with comparative figures at December 31, 1986)

		1987	1986
ASSETS			
Accounts receivable:			
Rents and other amounts due from tenants		$ 4,907	$ 11,063
City of Thunder Bay		1,011,700	762,800
Province of Ontario -			
Statements 3, 7, 8, 9, 10 and 11	$119,279		
Less overpayment 1986	(571)	118,708	29,743
Canada Mortgage and Housing Corporation -			
Statement 4	17,156		
Less subsidy overpayment	(9,763)	7,393	15,683
Due from Canada Mortgage and Housing - RRAP			25,910
Due from Mortgage Company		235,065	468,083
Due from Ontario Heritage Fund			10,000
Land for future development (note 8)		70,523	97,841
Construction in progress (note 5)		22,249	1,560,501
Capital outlay to be recovered in future years		26,539,820	20,250,762
		$28,010,365	$23,232,386
LIABILITIES, SHARE CAPITAL AND ACCUMULATED SURPLUS (DEFICIT)			
Liabilities:			
Rental deposits		$ 116,838	$ 110,865
Accounts payable		264,812	291,726
Deferred revenue		117,987	120,975
Temporary financing of construction in progress			
City of Thunder Bay			939,057
Contractors' accounts payable including holdback			621,444
D.A.S.H. funding		32,000	
Mortgages payable (note 3)		26,539,820	20,250,762
Provision for repairs and replacements (note 6)		612,479	448,347
Provision for convert to rent mortgage (note 7)		43,311	12,445
Reserve for future development (note 8)		200,000	200,000
		27,927,247	22,995,621
Share capital -			
Authorized and issued:			
1 - common share without par value		40,000	40,000
Accumulated surplus (deficit) - Sequoia Park - Statement 2		(3,967)	26,818
- Andras Court - Statement 5		41,545	169,947
Unexpended Capital Financing		5,540	
		83,118	236,765
		$28,010,365	$23,232,386

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

SEQUOIA PARK

STATEMENT OF INCOME AND ACCUMULATED SURPLUS (DEFICIT)

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$155,448	$158,609
- Rent geared to income tenants	25,824	24,376
Ontario Housing Corporation rent subsidy	58,638	54,975
Ontario Housing Corporation rent reduction grant	6,933	12,241
Canada Mortgage and Housing Corporation interest reduction grant	27,052	27,052
Miscellaneous	10,144	9,750
	284,039	287,003
Expenses:		
Administration fee	14,522	14,522
Bad debts	2,624	
Building maintenance - general	22,403	6,912
- mechanical	9,908	3,619
Depreciation (note 2(b))	3,876	3,532
Grounds maintenance	5,678	2,002
Insurance	3,109	2,264
Interest - Canada Mortgage and Housing Corporation	180,649	180,999
Painting	12,671	6,283
Salaries and benefits	4,880	
Taxes	45,662	42,039
Utilities - heat	703	565
- water	176	
- hydro	163	48
	307,024	262,785
Surplus (deficit) for year before the following	(22,985)	24,218
Provision for repairs and replacements	(7,800)	(5,200)
Surplus (deficit) for year	(30,785)	19,018
Accumulated surplus, beginning of year	26,818	78,382
	(3,967)	97,400
Less transfer to provision for repairs and replacements		(70,582)
Accumulated surplus (deficit), end of year	$ (3,967)	$ 26,818

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

GLENWOOD COURT

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$167,247	$172,239
- Rent geared to income tenants	22,778	18,401
Canada Mortgage and Housing Corporation - operating subsidy	229,874	261,422
Province of Ontario - rent subsidy	44,658	38,507
Miscellaneous	2,449	6,161
Province of Ontario - maintenance subsidy		57,814
	467,006	554,544
Expenses:		
Administration fee	21,005	28,082
Building maintenance - elevator	1,364	1,465
- mechanical	23	255
- structural		52,802
- general	23,675	5,543
- architectural		1,625
Depreciation (note 2(b))	3,058	1,230
Equipment maintenance	4,052	1,048
Grounds maintenance	856	1,950
Insurance	2,869	2,067
Interest - Mutual Life Assurance	301,517	333,689
- Other	1,096	
Janitorial supplies	1,800	1,776
Legal fees	1,143	
Painting - interior and exterior	10,634	4,962
Pest control		75
Salaries and benefits	31,842	32,311
Snow removal	809	3,009
Taxes	52,994	48,818
Utilities - heat	7,781	8,651
- water	3,349	3,012
- hydro	11,659	13,822
- telephone	1,507	1,399
	483,033	547,591
Surplus (deficit) for year before the following	(16,027)	6,953
Provision for repairs and replacements	(13,500)	(13,500)
Deficit for year	$(29,527)	$ (6,547)
Recoverable from Province of Ontario	$ 29,527	$ 6,547

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

PATERSON COURT

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$ 326,825	$ 319,388
- Rent geared to income tenants	146,171	139,688
Canada Mortgage and Housing Corporation - operating subsidy	647,484	647,484
Miscellaneous	19,813	23,396
	1,140,293	1,129,956
Expenses:		
Administration fee	41,804	57,600
Building maintenance - elevator	3,942	3,870
- general	6,494	2,458
- mechanical	2,016	2,010
Depreciation (note 2(b))	2,757	2,297
Grounds maintenance	434	1,758
Insurance	6,636	3,557
Interest - Mutual Life Assurance	807,736	808,196
- Other	388	
Janitorial supplies	1,348	1,300
Painting	3,580	2,205
Salaries and benefits	73,731	57,188
Snow removal	891	2,019
Taxes	107,627	99,087
Utilities - heat	15,353	17,477
- water	4,479	3,350
- hydro	42,764	45,769
- telephone	469	498
	1,122,449	1,110,639
Surplus for year before the following	17,844	19,317
Provision for repairs and replacements	(35,000)	(35,000)
Deficit for year	$ (17,156)	$ (15,683)
Recoverable from Canada Mortgage and Housing Corporation	$ 17,156	$ 15,683

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

ANDRAS COURT

STATEMENT OF INCOME AND ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$ 428,644	$ 434,044
- Rent geared to income tenants	229,191	214,661
Ontario Housing Corporation - rent subsidy	279,627	269,890
Canada Mortgage and Housing Corporation - interest reduction grant	15,908	23,980
Miscellaneous	49,334	58,698
	1,002,704	1,001,273
Expenses:		
Administration fee	53,650	53,750
Building maintenance - elevator	3,817	4,042
- general	31,047	29,970
- mechanical	3,888	11,023
- structural - balcony doors	138,370	1,100
Depreciation (note 2(b))	17,748	16,409
Equipment - maintenance	1,553	1,316
General expense	32	
Ground and parking lot maintenance	473	1,485
Insurance	12,614	4,219
Interest - Canada Mortgage and Housing Corporation	392,583	393,936
Janitorial supplies and security	5,047	8,307
Painting	7,040	18,269
Pest control	787	600
Salaries and benefits	46,178	39,751
Taxes	180,747	166,404
Utilities - cable T.V.	28,103	25,321
- heat	37,169	35,302
- water	11,180	10,467
- hydro	97,468	96,095
- telephone	3,047	2,445
	1,072,541	920,211
Surplus (deficit) for year before the following	(69,837)	81,062
Provision for repairs and replacements	(58,565)	(58,565)
Surplus (deficit) for year	(128,402)	22,497
Accumulated surplus at beginning of year	169,947	147,450
Accumulated surplus at end of year	$ 41,545	$ 169,947

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

ROYAL EDWARD ARMS

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1987

(with comparative figures for the 132 day period ended December 31, 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$192,889	$ 59,649
- Rent geared to income tenants	23,932	4,650
Province of Ontario - rent subsidy	124,958	23,968
Commercial rent	27,680	6,952
Miscellaneous	15,808	2,703
	385,267	97,922
Expenses:		
Administration fee	10,395	4,086
Bad debts	64	
Building maintenance - general	10,485	2,391
- mechanical	1,482	1,083
- elevator	5,028	838
Depreciation (note 2(b))	27,996	17,574
General expense	251	
Insurance	3,826	1,185
Interest - Canada Life Mortgage	227,558	24,693
- Bank of Montreal	14,852	
- other	2,161	
Painting	2,425	1,061
Promotion of leases	2,381	1,250
Salaries and benefits	9,943	4,508
Snow removal and ground maintenance	889	75
Supplies - janitorial	879	1,633
Taxes	72,649	12,970
Utilities - heat	16,643	7,689
- water	4,980	2,660
- hydro	12,547	5,076
- telephone	3,720	2,686
	431,154	91,458
Surplus (deficit) for period before the following	(45,887)	6,464
Provision for repairs and replacements	(15,000)	(2,100)
Provision for convert to rent mortgage	(29,866)	(12,445)
Deficit for period	$(90,753)	$ (8,081)
Allocation to general and administration expenses - Statement 13		$ 8,081
Deficit financed from City revenue fund	$ 90,753	-0-

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

BLUCHER PARK

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987
(with comparative figures for the 138 day period ended December 31, 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$186,962	$ 40,113
- Rent geared to income	37,270	9,003
Canada Mortgage and Housing Corporation - operating subsidy	277,044	69,261
	501,276	118,377
Expenses:		
Administration fee	21,040	5,830
Bad debts	738	
Building maintenance - general	12,982	633
- mechanical	1,708	47
Depreciation (note 2(b))	23,133	14,795
Grounds maintenance	2,806	360
Interest - Canada Life Mortgage	394,389	89,679
- other	3,355	510
Insurance	3,766	
Painting interior and exterior	1,575	
Salaries and benefits	21,552	4,446
Taxes	47,752	10,449
Utilities - heat	1,808	68
- water	727	324
- hydro	183	61
Water damage to tenants furniture	981	
	538,495	127,202
Deficit for period before the following	(37,219)	(8,825)
Provision for repairs and replacements	(15,900)	(5,300)
Deficit for period	$(53,119)	$(14,125)
Recoverable from Province of Ontario	$ 53,119	$ 14,125

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

MCLAUGHLIN COURT

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1987

(with comparative figures for the 228 day period ended December 31, 1986)

	1987	1986
Income:		
Rentals - Market rent tenants	$32,883	$16,918
- Rent geared to income tenants	7,044	3,312
Canada Mortgage and Housing Corporation - operating subsidy	39,117	25,027
Province of Ontario - rent subsidy	5,460	347
Miscellaneous	2,742	1,090
	87,246	46,694
Expenses:		
Administration fee	2,117	1,053
Bad debts	1,500	
Building maintenance - general	1,161	1,459
- mechanical	340	37
- architectural	250	
Insurance	717	
Depreciation (note 2(b))	(2,281)	4,145
Interest - Canada Life Mortgage	59,331	32,980
- other	877	200
Grounds maintenance	786	
Painting	400	
Salaries and benefits	8,660	2,936
Snow removal	173	30
Supplies - janitorial	280	738
Taxes	13,526	6,286
Utilities - telephone	306	328
- water	925	513
- hydro	3,240	2,900
	92,308	53,605
Deficit for period before the following	(5,062)	(6,911)
Provision for repairs and replacements	(3,240)	(2,160)
Deficit for period	$(8,302)	$(9,071)
Recoverable from Province of Ontario	$ 8,302	$ 9,071

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

ROSS COURT

STATEMENT OF OPERATIONS

FOR THE 77 DAY PERIOD ENDED DECEMBER 31, 1987

	1987
Income:	
Rentals - rent geared to income tenants	$ 4,535
Province of Ontario - operating subsidy	13,430
Miscellaneous	786
	18,751
Expenses:	
Administration fee	1,124
Building maintenance	1,565
Depreciation (note 2(b))	1,891
Insurance	2,236
Interest - Canada Life	8,708
Salaries and benefits	2,149
Utilities - heat	629
- water	297
- hydro	1,207
	19,806
Deficit for period before the following	(1,055)
Provision for repairs and replacements	(1,155)
Deficit for period	$(2,210)
Recoverable from Province of Ontario	$ 2,210

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

WILSON COURT

STATEMENT OF OPERATIONS

FOR THE 104 DAY PERIOD ENDED DECEMBER 31, 1987

	1987
Income:	
Rentals - rent geared to income tenants	$ 7,604
Province of Ontario - operating subsidy	35,741
Miscellaneous	1,779
	45,124
Expenses:	
Administration fee	2,265
Building maintenance - mechanical	88
- general	3,622
Depreciation (note 2(b))	5,800
Insurance	914
Interest - Canada Life	26,309
- other	77
Salaries and benefits	3,151
Taxes	6,883
Utilities - heat	368
- water	325
- hydro	1,355
	51,157
Deficit for period before the following	(6,033)
Provision for repairs and replacements	(2,625)
Deficit for period	$(8,658)
Recoverable from Province of Ontario	$ 8,658

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

PICTON II

STATEMENT OF OPERATIONS

FOR THE 104 DAY PERIOD ENDED DECEMBER 31, 1987

	1987
Income:	
Rentals - rent geared to income tenants	$ 23,130
Province of Ontario - operating subsidy	106,116
Miscellaneous	55
	129,301
Expenses:	
Administration fee	5,959
Building maintenance - general	2,560
- mechanical	593
Depreciation (note 2(b))	18,955
Grounds maintenance	304
Insurance	1,176
Interest - Canada Life	89,489
- other	336
Painting - interior and exterior	900
Salaries and benefits	7,132
Taxes	10,455
Utilities - heat	358
- water	206
- hydro	459
	138,882
Deficit for period before the following	(9,581)
Provision for repairs and replacements	(7,882)
Deficit for period	$(17,463)
Recoverable from Province of Ontario	$ 17,463

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

OTHER PROJECTS (SCHEDULE 1)
(note 4)

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Income - rentals	$26,305	$34,650
Expenses:		
Insurance	1,014	258
Leases	4,200	3,600
Repairs and maintenance	8,553	4,923
Taxes	2,825	2,858
Utilities	10,054	17,833
	26,646	29,472
Income (loss) for year	$ (341)	$ 5,178
Allocation to general and administrative expenses - Statement 13	$ 341	$(5,178)

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	1987	1986
Operating expenses:		
Accounting	$ 29,000	$ 28,000
Advertising	2,174	2,698
Interest - last month's rent deposit	6,543	5,234
Office expense	27,192	19,039
Office rent	8,000	5,190
Professional fees	20,550	23,095
Purchase of equipment	7,050	10,402
Renovations	14,373	5,898
Salaries and benefits	91,315	93,983
Travel	3,983	4,786
	210,180	198,325
Less: Allocated to housing projects	(200,881)	(190,628)
Interest income	(9,299)	(7,400)
Income (loss) for year - Statement 12	341	(5,178)
Loss for year - Statement 6 - Royal Edward Arms		8,081
Net operating loss for year	(341)	(3,200)
Accumulated surplus at beginning of year	403	3,603
Accumulated surplus at end of year	$ 62	$ 403

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. Incorporation and objects

The Corporation is incorporated as a non-profit organization under the Ontario Business Corporations Act to provide and operate housing accommodation for persons of low or modest income at rentals below the current rental market. Certain approved projects receive support by way of grants and low interest loans from various levels of government and as such are bound by the provisions of specific operating agreements in regards to rates charged and the transferability of excess revenues.

2. Significant accounting policies

(a) Capital outlay to be recovered in future years -

To conform with municipal accounting policies, the historical cost and accumulated depreciation of fixed assets are not reported in the financial statements. Instead the fixed assets are carried at a value equal to the principal outstanding of the unmatured debt related thereto.

(b) Depreciation -

Depreciation is recorded in annual amounts equal to the principal reduction in the mortgage debt.

(c) Provision for repairs and replacements -

In accordance with the terms of the Corporation's agreements with Canada Mortgage and Housing Corporation, the Corporation is required to make annual provisions for repairs and replacements of furnishings, equipment, etc. These provisions are to accumulate to certain specified amounts which are to be maintained until the mortgage debt is retired.

(d) Charges for net long-term liabilities -

Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the period from the date of the latest interest payments to the end of the fiscal year.

3. Mortgages payable

Sequoia Park -

To Canada Mortgage and Housing Corporation in the amount of $2,154,661 to be reduced by earned forgiveness after 50 years of $217,928. The mortgage is secured by the assets of the Sequoia Project and bears interest at 9-1/2% reduced to 8% by interest reduction grants from C.M.H.C. The mortgage is repayable in monthly instalments of $15,377.

Glenwood Court -

To Mutual Life Assurance Company of Canada in the amount of $1,844,241 secured by assets of Glenwood Court, bearing interest at 11.29% payable in monthly instalments of principal and interest of $17,628 to September 15, 1992 when the balance is due and payable.

Paterson Court -

To Mutual Life Assurance Company of Canada in the amount of $4,387,210 secured by assets of Paterson Court, bearing interest at 19-1/8% payable in monthly instalments of principal and interest of $67,541 to March 31, 1988 when the balance is due and payable. In March of 1988, the mortgage was refinanced with Manufacturers Life in the amount of $4,386,438, bearing interest at 10.42 percent payable in monthly instalments of principal and interest of $39,146 to March 1, 1993 when the balance is due and payable.

3. Mortgages payable (continued)

Andras Court -

To Canada Mortgage and Housing Corporation in the amount of $4,978,718 secured by assets of Andras Court, bearing interest at 8% payable in monthly instalments of principal and interest of $34,194 maturing in the year 2027.

McLaughlin Court -

To Canada Life Mortgage in the amount of $515,415, secured by assets of McLaughlin Court, bearing interest at 11-7/8% payable in monthly instalments of principal and interest of $5,086 to May 1, 1991 when the balance is due and payable.

Royal Edward Arms -

To Canada Mortgage and Housing Corporation, a forgivable loan in the amount of $190,400 secured by assets of Royal Edward Arms. Forgiveness on this loan will be earned at the rate of $44,800 per year for a period of five years maturing on March 1, 1992.

To Ontario Mortgage Corporation in the amount of $448,000, a 15 year interest free loan, secured by assets of Royal Edward Arms. The loan is repayable in 60 monthly payments of $7,467, with the first payment due to April 1, 1996 and the last payment on March 1, 2001.

To Canada Life Mortgage in the amount of $2,023,666, secured by assets of Royal Edward Arms, bearing interest at 11-7/8%, payable in monthly instalments of principal and interest of $21,133 to October 1, 1991 when the balance is due and payable.

To Bank of Montreal in the amount of $228,723, secured by a Letter of Covenant from the City of Thunder Bay bearing interest at 10-5/8%, payable in monthly instalments of principal and interest of $2,588 to May 1, 1992 when the balance is due and payable.

Blucher Park -

To Canada Life Mortgage in the amount of $3,416,206, secured by assets of Blucher Park Housing, bearing interest at 11-7/8%, payable in monthly instalments of principal and interest of $34,793 to October 1, 1991 when the balance is due and payable.

Picton Street -

To Canada Life Mortgage in the amount of $3,639,557, secured by assets of Picton Street Housing, bearing interest at 10.990%, payable in monthly instalments of principal and interest of $36,148 to September 1, 1992 when the balance is due and payable.

Wilson Court -

To Canada Life Mortgage in the amount of $1,627,851, secured by assets of Wilson Court, bearing interest at 10.990% payable in monthly instalments of principal and interest of $16,054 to October 1, 1992 when the balance is due and payable.

Ross Court -

To Canada Life Mortgage in the amount of $1,085,172, secured by assets of Ross Court, bearing interest at 10.990%, payable in monthly instalments of principal and interest of $10,599 to November 1, 1992 when the balance is due and payable.

3. Mortgages payable (continued)

1987 Capital Projects -

During the year, the following projects were completed and capitalized as follows:

	Picton Housing	Ross Street Apartments	Wilson Street Apartments
Legal fees	$ 16,351	$ 6,340	$ 8,220
Contracts	2,683,066	894,192	1,303,575
Architects	38,623	36,000	44,700
Land	759,530	87,595	175,615
Survey	19,435	3,159	3,434
Organization	13,295	10,000	13,000
Land servicing	36,259		
Interest on temporary financing	89,162	24,962	48,167
Contingency	2,792	783	342
Equipment and furnishings		24,032	36,598
	$3,658,513	$1,087,062	$1,633,651

4. Other Projects -

The statement of operations for "other projects" includes the income and expenses for the following:

Franklin Street School -

In the latter part of 1987, the Corporation returned Franklin Street School back to the City of Thunder Bay as it was no longer required for Non-Profit Housing purposes.

241 May Street South -

The Corporation leases this property from the City of Thunder Bay at a rental of $3,000 per year. The lease expires December 31, 1990.

Pearl Street -

The Corporation acquired this property by way of transfer from the City of Thunder Bay. In 1983, the dwellings on this property were demolished and with additional property purchased in 1987, the property will be used in 1988 as a site for a 25 unit apartment building to house young mothers.

Elgin Street -

This property is leased from the City of Thunder Bay at a rental of $1,200 per year. The lease expires in 1996.

5. Construction in progress

Although actual construction was not in progress at year end, some preliminary costs have been incurred with the three projects contemplated for 1988.

At the year end, the following has been expended on these projects:

	Upper Pearl Young Mothers	Lower Pearl Habitant	Picton Housing	Total
Survey			$ 212	$ 212
Legal fees	$608		50	658
Feasibility study		$20,200		20,200
Travel		293		293
Architect			750	750
Insurance			136	136
	$608	$20,493	$1,148	$22,249

Temporary financing of $32,000 has been provided through a Development Assistance for Social Housing Program, and these funds will be returned from proceeds of long-term financing.

6. Provision for repairs and replacements

	Balance Beginning of Year	Cost of Replacement	Provision For Year	Interest Earned During Year	Balance at End of Year
McLaughlin Court	$ 2,260		$ 3,240	$ 185	$ 5,685
Blucher Park	5,400		15,900	440	21,740
Royal Edward Arms	2,100		15,000	170	17,270
Sequoia Park	101,782	$(24,880)	7,800		84,702
Glenwood Court	71,550		13,500	5,850	90,900
Paterson Court	143,150		35,000	11,700	189,850
Andras Court	122,105		58,565	10,000	190,670
Picton II			7,882		7,882
Wilson Court			2,625		2,625
Ross Court			1,155		1,155
	$448,347	$(24,880)	$160,667	$28,345	$612,479

7. Provision for convert to rent mortgage

The repayments on this interest free mortgage with Ontario Mortgage Corporation do not commence until the eleventh year; therefore, the Corporation is setting aside on an annual basis 1/15th of the mortgage amount of $448,000 to meet these future payments. In 1987, the annual provision of $29,866 has been provided for, and the total provision at December 31 is as follows:

Balance, beginning of year	$12,445
Interest earned during year	1,000
Provision for year	29,866
Balance, at end of year	$43,311

8. Development reserve

In 1986, the Corporation had received City Council approval to establish a development reserve with a City contribution of $200,000 to be used for the purchase of land for future development. This reserve will be replenished from proceeds of long-term financing. In the future, should the Thunder Bay Non-Profit Housing Corporation and the City of Thunder Bay mutually agree that the funds are no longer required by Non-Profit Housing, the funds will be returned to the City. The balance in the reserve as at December 31, 1987 is accounted for as follows:

Amounts Expended:		
Land for future development -		
Pearl Street land purchase - Upper Pearl	$67,573	
Pearl Street demolishing costs	2,950	$ 70,523
Unexpended at December 31, 1987		129,477
Fund Balance - Contribution from City of Thunder Bay		$200,000

9. Commitment

In 1985, the Corporation entered into an agreement with the Corporation of the City of Thunder Bay to lease the Royal Edward Hotel property for a period of thirty years. The lease is a net lease and is subject to certain conditions regarding the construction of improvements.

The schedule for future lease payments is as follows:

Years	Annual Lease Payment
1987 - 1999	$ 1
2000 - 2004	20,000
2005 - 2014	25,000

Schedule 1

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

OTHER PROJECTS

SCHEDULE OF INCOME AND EXPENSES

YEAR ENDED DECEMBER 31, 1987
(with comparative figures for 1986)

	Franklin Street School	241 May Street	Elgin Street	Northern Avenue	Pearl Street	1987 Total	1986 Total
Income - rentals	$13,165	$10,092	$3,048			$26,305	$34,650
Expenses:							
Insurance	834	120	60			1,014	258
Leases		3,000	1,200			4,200	3,600
Repairs and maintenance	3,279	3,695	1,579			8,553	4,923
Taxes		1,795	688	$(247)	$ 589	2,825	2,858
Utilities	7,734	2,082	238			10,054	17,833
	11,847	10,692	3,765	(247)	589	26,646	29,472
Income (loss) for year	$ 1,318	$ (600)	$ (717)	$ 247	$(589)	$ (341)	$ 5,178

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT

To The Members of Council, Inhabitants and Ratepayers
of The Corporation of the City of Thunder Bay

We have examined the balance sheet of the Telecommunications Department of The Corporation of the City of Thunder Bay as at December 31, 1987 and the statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Telecommunications Department as at December 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

April 12, 1988

Thorne Ernst & Whinney

Clarkson Gordon

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon
Chartered Accountants
Licence No. 001217

CITY OF THUNDER BAY
TELECOMMUNICATIONS DEPARTMENT

BALANCE SHEET

	December 31 1987	1986
ASSETS		
Telecommunication property		
Building, plant and equipment at cost	$99,529,172	$86,110,662
Less accumulated depreciation	40,647,984	37,972,105
	58,881,188	48,138,557
Land	275,966	274,001
Plant under construction	2,551,552	7,051,146
Materials and supplies	1,338,746	1,434,402
	63,047,452	56,898,106
CURRENT ASSETS		
Accounts receivable	4,708,456	5,478,927
Net investment in leases (note 2)	303,852	239,337
	5,012,308	5,718,264
OTHER ASSETS		
Net investment in leases (note 2)	1,092,112	1,070,324
Deferred charges	25,696	60,676
	1,117,808	1,131,000
TOTAL ASSETS	$69,177,568	$63,747,370
LIABILITIES AND RETAINED EARNINGS		
RETAINED EARNINGS	$56,237,793	$54,137,373
LONG-TERM DEBT (note 3)	2,059,000	2,370,000
CURRENT LIABILITIES		
Accounts payable - City of Thunder Bay	5,653,097	3,208,208
Accounts payable	4,561,649	3,724,916
Other current liabilities	355,029	25,009
Debt due within one year (note 3)	311,000	279,000
	10,880,775	7,237,133
DEFERRED CREDITS	-	2,864
TOTAL LIABILITIES AND RETAINED EARNINGS	$69,177,568	$63,747,370

Commitments (note 6)

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF THUNDER BAY
TELECOMMUNICATIONS DEPARTMENT

STATEMENT OF INCOME

	Year ended December 31 1987	1986
Operating revenues		
Local service	$11,378,321	$11,778,512
Long distance services	8,359,785	8,813,348
Other	3,689,131	3,419,183
Total operating revenues	23,427,237	24,011,043
Operating expenses		
Maintenance and repairs	4,809,638	4,255,749
Depreciation	4,628,094	3,958,357
Marketing and commercial	2,988,348	2,851,108
Accounting and administration	1,415,625	1,248,057
Business information systems	903,571	182,017
Pensions and other employee benefits	1,372,847	1,212,678
Taxes other than income taxes	1,614,169	1,559,137
Other	3,462,654	3,362,186
Total operating expenses	21,194,946	18,629,289
Net operating revenues	2,232,291	5,381,754
Other income		
Interest income	203,469	332,451
Income before interest charges	2,435,760	5,714,205
Interest charges		
Interest on long-term debt including foreign exchange loss	328,358	368,093
Other	6,982	5,304
	335,340	373,397
NET INCOME	$ 2,100,420	$ 5,340,808

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF THUNDER BAY
TELECOMMUNICATIONS DEPARTMENT

STATEMENT OF RETAINED EARNINGS

	Year ended December 31	
	1987	1986
RETAINED EARNINGS AT BEGINNING OF YEAR	$54,137,373	$48,796,565
Net income	2,100,420	5,340,808
RETAINED EARNINGS AT END OF YEAR	$56,237,793	$54,137,373

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF THUNDER BAY
TELECOMMUNICATIONS DEPARTMENT

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31 1987	1986
Source of funds		
Operations		
Net income	$ 2,100,420	$ 5,340,808
Item not affecting current funds		
Depreciation	4,628,094	3,958,357
Total funds from operations	6,728,514	9,299,165
Sale of investments	-	1,584,457
	6,728,514	10,883,622
Use of funds		
Capital expenditures		
Gross capital expenditures	10,873,092	13,810,886
Increase (decrease) in materials and supplies	(95,656)	540,417
Net capital expenditures	10,777,436	14,351,303
Reduction of long-term debt	311,000	279,000
Net investment in leases	21,788	278,557
Other	(32,112)	14,942
	11,078,112	14,923,802
DECREASE IN WORKING CAPITAL	(4,349,598)	(4,040,180)
Working capital (deficiency) at beginning of year	(1,518,869)	2,521,311
WORKING CAPITAL DEFICIENCY AT END OF YEAR	$(5,868,467)	$(1,518,869)
Working capital is represented by:		
Current assets	$ 5,012,308	$ 5,718,264
Less current liabilities	(10,880,775)	(7,237,133)
	$(5,868,467)	$(1,518,869)

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF THUNDER BAY
TELECOMMUNICATIONS DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. BASIS OF FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Financial Statement Presentation

Background:

Prior to January 1, 1984 the accounts of the Telecommunications Department of The Corporation of the City of Thunder Bay were maintained on a basis which was in accordance with accounting principles generally accepted for Ontario municipalities as established by the Ministry of Municipal Affairs and Housing. These accounting principles require (a) that capital expenditures be expensed each year to the extent they are not financed by debenture borrowing and (b) that the financial statements of all City departments be consolidated. The financial statements of the Telecommunications Department prepared in accordance with these accounting principles were used for presentation to the Ontario Telephone Service Commission, the body responsible for regulating the Department's telephone rates.

The operations of the Telecommunications Department are governed by the Ontario Telephone Act and subject to regulatory procedures under that Act as administered by the Ontario Telephone Service Commission. In general, the Commission follows a rate base and rate of return approach to regulation, under which investment in plant forms an important part of the base for determining rates for service. In the past the Commission found it difficult to carry out its responsibilities using the financial information presented in accordance with municipal accounting requirements.

In November, 1982, the Commission by way of order, directed The Corporation of the City of Thunder Bay to prepare its accounts for the Telecommunications Department for 1984 and subsequent years in accordance with accounting principles generally accepted in the telephone industry.

In October, 1984, the Ministry of Municipal Affairs and Housing exempted the Corporation of the City of Thunder Bay from reporting the Telecommunications Department's accounts on the accounting basis previously required for Ontario municipalities and allowed the reporting to be done on the basis followed in the telephone industry.

In March, 1985, the Members of Council of The Corporation of the City of Thunder Bay approved the adoption of accounting principles generally accepted in the industry as the basis of reporting on the affairs of the Telecommunications Department for 1984 and future years.

CITY OF THUNDER BAY
TELECOMMUNICATIONS DEPARTMENT

NOTES TO FINANCIAL STATEMENTS (Continued)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Financial Statement Presentation (Continued)

Due to the adoption in 1984 of the accounting principles outlined below, it was necessary to establish a carrying value for fixed assets and an annual depreciation charge. Since fixed asset records had not been maintained in past years, it was necessary to make certain assumptions in arriving at the value attributed to fixed assets. The cost value was arrived at by aggregating capital expenditures as reported in the financial statements of the telephone departments of Port Arthur and Fort William for the years to 1969 and since then from the records of the City of Thunder Bay.

Since fixed asset records were not maintained, it is not possible to take into account retirements or disposals of fixed assets. It was assumed that all capital expenditures prior to 1965 amounting to $7,217,515 were fully depreciated and this amount has been included in both cost and accumulated depreciation on the balance sheet. Further, since fixed assets cannot be categorized by type of plant, it was not possible to determine depreciation rates by class of property as required by the Ontario Telephone Service Commission. In lieu of this, an overall depreciation rate of 5% applied retroactively on a straight-line basis was adopted with the expectation that this would approximate the amortization of the fixed assets over their estimated useful life.

The Telecommunications Department is presently undertaking a physical inventory of its fixed assets and once completed will attempt to allocate values to the various classes of property and recompute the accumulated depreciation in accordance with the estimated useful life of the properties.

(b) Significant Accounting Policies

(i) The Telecommunications Department of The Corporation of the City of Thunder Bay follows accounting principles which are prescribed by the Ontario Telephone Service Commission.

(ii) Related Party Transactions

Because of the integration of the Telecommunications Department with other entities and departments of The Corporation of the City of Thunder Bay, it is impractical to detail the many related transactions that take place between these bodies.

NOTES TO FINANCIAL STATEMENTS (Continued)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Significant Accounting Policies (Continued)

The Corporation, however, does allocate direct expenses to the benefitting department and common costs such as accounting, billing, purchasing and administration are allocated on the basis of a formula established for this purpose. The amount charged for common expenses in 1987 was $2,028,485 (1986, $1,965,327).

(iii) Depreciation

Depreciation has been computed on the straight-line method using a 5% rate (see note 1 (a) for further details).

(iv) Materials and Supplies

Inventories are valued at the lower of cost (calculated generally on a first-in, first-out basis) or net realizable value.

(v) Leases

Leases are classified as capital or operating leases.

For leases which qualify as sales-type leases, the sales revenue and cost of sale are recorded at the inception of the lease. Finance income related to sales-type leases is recognized as interest income in a manner that produces a constant rate of return on the investment in the lease. The investment in the leases for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

(vi) Sick Leave Benefit Plan

Under this plan, certain employees may become entitled to a cash payment for vested sick leave benefits when they leave the employ of The Corporation of the City of Thunder Bay. It is the policy of the Corporation to expense these payments as incurred and no accrual is made in the financial statements for the accumulated liability (see note 4).

(vii) Past Service Pension Benefits

It is the policy of the Corporation not to accrue for past service pension benefits as they are earned and no accrual is made in the financial statements for the accumulated liability (see note 5).

NOTES TO FINANCIAL STATEMENTS (Continued)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Significant Accounting Policies (Continued)

(viii) Foreign Exchange Translation

The Corporation follows the practice of reflecting the exchange loss on its foreign debt only as realized. The unmatured U.S. debentures referred to in note 3 have not been translated into their Canadian dollar equivalent as at the year end.

(ix) Debenture Interest

No accrual is made in the financial statements for interest between instalment dates. Interest expense is recorded only when paid.

2. NET INVESTMENT IN LEASES

The Department's net investment in leases includes the following:

	1987	1986
Total minimum lease payments receivable	$1,972,689	$1,919,998
Less unearned income	576,725	610,337
	$1,395,964	$1,309,661

Future minimum lease payments receivable under sales-type leases are as follows:

	1987	1986
1987	$ -	$ 418,884
1988	491,506	392,829
1989	432,619	344,034
1990	329,855	248,625
1991	286,326	213,394
1992 and future	432,383	302,232
	$1,972,689	$1,919,998

NOTES TO FINANCIAL STATEMENTS (Continued)

3. LONG-TERM DEBT

(a)

Debentures	Payable in Canadian funds		Payable in U.S. Funds	Total
	13.00%	9.375%	9.125%	
Due 1988	$191,000	$ 46,000	$ 74,000	$ 311,000
1989	216,000	50,000	82,000	348,000
1990	244,000	54,000	90,000	388,000
1991	-	60,000	99,000	159,000
1992-1997	-	494,000	670,000	1,164,000
	$651,000	$704,000	$1,015,000	2,370,000
Less due within one year				311,000
				$2,059,000

As stated in note 1, the U.S. pay debentures totalling $1,015,000 (1986, $1,082,000) have not been translated into Canadian dollars at the year end. Had this liability been translated at the year end exchange rate, the liability would be increased by $304,002 (1986, $411,000).

(b) Approval has been obtained for the issue of debentures amounting to $4,968,000 from the Ontario Telephone Service Commission and the Ontario Municipal Board. These debentures are to be issued in 1988.

4. VESTED SICK LEAVE BENEFITS

The liability for sick leave benefits, to the extent vested which could be taken in cash by employees on termination, amounted to approximately $1,085,279 (1986, $1,130,187) at the year end.

5. PENSION AGREEMENT

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employee plan, on behalf of 260 members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on length of service and rates of pay. The amount contributed to OMERS for 1987 was $465,937 (1986, $418,745) for current service and is included as an expenditure on the statement of income.

In addition to the above, the Corporation has a liability as at the year end to its employees for past service pension benefits amounting to $674,485 (1986, $824,994). No provision has been made for this liability as at December 31, 1987. This telecommunication liability is to be funded in annual instalments of $134,897 over the next five years. An amount of $137,499 (1986, $137,499) was paid in 1987 and is reported in the statement of income.

6. COMMITMENTS

As at December 31, 1987, the Telecommunications Department has minimum annual obligations of $445,992 under a government term lease agreement for the lease of certain computer equipment. The agreement expires on June 30, 1992, at which time the department may terminate the lease or exercise the purchase option contained therein.

The lease may be terminated at the end of the then current fiscal year if funding is not approved and the equipment to be terminated is not replaced by any other equipment or equivalent service.

The department also has a financial obligation under the terms of a software license agreement for use of certain software used in conjunction with the equipment under lease. Annual payments required under the terms of the license agreement as at December 31, 1987 are $51,336.

The license agreement may be terminated at any time by the Department upon one month's notice.

Thorne Ernst & Whinney
Chartered Accountants

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AUDITORS' REPORT

To the Directors of
Thunder Bay Community Auditorium Inc.

We have examined the balance sheet of the Thunder Bay Community Auditorium Inc. as at December 31, 1987 and the statements of operating revenue and expenditure and fund balance and capital operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as noted in the following paragraph.

As is common in organizations of this type, donations, by their nature, are not susceptible to complete verification by audit procedures. Accordingly, our examination of revenue from this source was confined to comparisons of recorded receipts with bank deposits.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to completely verify donation revenue as explained in the preceding paragraph, these financial statements present fairly the financial position of the Community Auditorium as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles set out in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

April 12, 1988

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 001217

THUNDER BAY COMMUNITY AUDITORIUM INC.
(Incorporated as a charitable organization under the Ontario Corporations Act)

BALANCE SHEET

	December 31 1987	1986
ASSETS		
CURRENT ASSETS		
Cash	$ 159	$ 72
Accounts receivable	16,050	57,834
Due from City of Thunder Bay	136,833	48,878
Inventories (note 4)	52,172	51,515
Prepaid expenses (note 5)	102,199	125,057
	307,413	283,356
Unfinanced capital outlay to be recovered in future years (note 3)	54,693	108,728
	$362,106	$392,084
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable	$ 71,001	$ 83,950
Deferred revenue (note 6)	291,105	308,134
	362,106	392,084
Due to City of Thunder Bay	54,693	108,728
Less funds held by City on behalf of Auditorium	54,693	108,728
	-	-
	$362,106	$392,084

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY COMMUNITY AUDITORIUM INC.

STATEMENT OF OPERATING REVENUE AND EXPENDITURE AND FUND BALANCE

	Year ended December 31 1987	1986
Revenue		
Performance revenue	$1,843,085	$1,941,686
Provincial grant	100,876	6,000
Federal grant	20,262	36,836
Small Communities Arts-Management Program	-	14,000
Merchandise sales	70,607	64,708
Bar sales	112,638	111,298
Other	33,878	29,764
Donations - fund raising	68,735	39,547
	2,250,081	2,243,839
Expenditure		
Artists' fees	1,066,077	1,181,068
Administration		
Salaries and benefits	189,042	184,050
Other	159,786	171,650
Operations		
Salaries and benefits	104,431	88,377
Other	191,046	182,068
Box office		
Salaries and benefits	161,831	133,893
Other	29,948	42,542
Technical		
Salaries and benefits	222,908	207,908
Other	34,273	20,508
Public relations		
Salaries and benefits	82,703	70,099
Other	198,806	250,861
Bar and boutique		
Salaries and benefits	127,736	124,612
Other	108,257	92,121
Board	2,099	1,870
Systems		
Salaries and benefits	51,545	47,076
Other	95,001	99,620
Employment grants	36,921	38,718
Trade Centre Study	63,750	-
Other	23,126	-
	2,949,286	2,937,041
Excess of expenditure over revenue	(699,205)	(693,202)
Less contribution from City of Thunder Bay	699,205	693,202
FUND BALANCE	$ Nil	$ Nil

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY COMMUNITY AUDITORIUM INC.

STATEMENT OF CAPITAL OPERATIONS

	Year ended December 31 1987	1986
Capital cost at beginning of year	$14,869,229	$14,670,180
Capital expenditures during year		
Construction costs and other capital expenditures	34,671	199,049
Total capital cost	14,903,900	14,869,229
Total capital financing		
Grant by way of City Debenture Issue	1,250,000	1,250,000
Grants		
Federal	3,500,000	3,500,000
Provincial	5,458,747	5,458,747
City of Thunder Bay	1,924,000	1,924,000
Donations	2,156,419	2,080,343
Interest income, net	524,710	524,710
Sales tax rebate	422,400	409,770
Other	29,839	29,839
	15,266,115	15,177,409
Less accumulated operating fund deficits	(416,908)	(416,908)
	14,849,207	14,760,501
Unfinanced capital outlay at end of year	$ 54,693	$ 108,728

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY COMMUNITY AUDITORIUM INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. INCORPORATION AND COMMENCEMENT OF OPERATIONS

The Thunder Bay Community Auditorium Inc. was incorporated in 1971 as a not-for-profit organization without share capital under the Ontario Corporations Act. In October, 1985, the Auditorium opened to the public and commenced operations.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

The Thunder Bay Community Auditorium Inc. follows accounting principles generally accepted for Ontario municipalities. The most significant of these are as follows:

(a) Fixed Assets

The historical cost and accumulated depreciation of fixed assets are not recorded for municipal purposes. Expenditures on fixed assets are charged against current revenue as acquired unless the expenditures are financed or to be financed by way of long-term debt or capital grants in which case they are charged to capital operations.

(b) Accrual Basis of Accounting

The accrual basis of accounting is followed for all revenues and expenditures except for donations which are accounted for on a cash basis.

(c) Inventories

Inventories which consist primarily of bar supplies and merchandise for resale are valued at the lower of cost and net realizable value.

(d) Deferred Revenue

Performance revenue is recognized in the year the performance occurs. Revenue from the sale of gift certificates is deferred until the certificates are redeemed.

3. UNFINANCED CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

It is expected that the unfinanced capital outlay will be recovered in future years from donations.

4. INVENTORIES

Inventories consist of the following:

	1987	1986
Bar supplies	$ 9,156	$ 8,676
Tapes and records	29,701	30,496
Giftware	13,315	12,343
	$ 52,172	$ 51,515

5. PREPAID EXPENSES

The prepaid expenses consist of the following:

	1987	1986
Prepaid credit card charges	$ 4,102	$ 4,080
Office supplies	19,668	13,757
Advertising	19,215	27,500
Performance deposit	5,900	14,870
Prepaid performance expenses	53,314	64,850
	$102,199	$125,057

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	1987	1986
Pre-sold performance tickets	$249,334	$282,643
Gift certificates	29,898	25,491
Deferred revenue - Provincial grant	11,873	-
	$291,105	$308,134

7. PLEDGES RECEIVABLE

Pledges receivable are not reflected in these financial statements. It is expected, however, that over the next year pledges receivable in the amount of $71,175 will be collected.

Donations will be recorded when received.

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted for the 1987 financial statements.

1987 FINANCIAL INFORMATION RETURN

MUNICIPALITY: City of Thunder Bay

in the Region, County or District of: Thunder Bay

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Attached
1	Analysis of Revenue Fund Revenues	x
2LT	Analysis of Taxation	x
2UT	Analysis of Upper Tier Requisitions and Direct Charges	n/a
2MA	Analysis of Taxation in Merged Areas	n/a
3	Analysis of Current Revenue for Specific Functions	x
4	Analysis of Revenue Fund Expenditures	x
5	Analysis of Capital Operations	x
6	Analysis of Capital Grants and Own Expenditures	x
7	Analysis of Net Long Term Liabilities By Function	x
8	Analysis of Long Term Liabilities and Commitments	x
9LT	Continuity of Upper Tier and School Board Levies	x
10	Continuity of Reserves and Reserve Funds	x
11	Analysis of Consolidated Year End Balances	x
12	Statistical Data	x
13	Grant Information	x
14	Grant Information	n/a

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

Waterworks Utility
Transit
Parking Authority
Cemeteries
Emergency Measures Organization
Thunder Bay Public Library
Thunder Bay District Health Unit
Downtown Business Improvement Areas

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by City of Thunder Bay
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to Paul Milligan

Deputy City Treasurer at 807-625-2379
(Area code and telephone)

Date April 14 1988

Municipal Treasurer

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Ministry of
Municipal Affairs

Our examination of the financial statements of The Corporation of The City of Thunder Bay and of its local boards and enterprises for the year ended December 31, 1987 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers dated April 12, 1988.

At your request, we have performed the following procedures in connection with schedules 1 to 11 of the City of Thunder Bay for the year ended December 31, 1987:

(a) We have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;

(b) We have added and cross-added all schedules; and

(c) We have cross-referenced the information on the schedules where applicable.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on this information.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon
Chartered Accountants
Licence No. 001217

ANALYSIS OF REVENUE FUND REVENUES

for the year ended December 31, 1987

Municipality: CITY OF THUNDER BAY

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
		Note: Upper tiers use column 4 only			
		1 $	2 $	3 $	4 $
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	92,447,352		42,719,088	49,728,264
Direct water billings on ratepayers — own municipality	2	7,833,027			7,833,027
— other municipalities	3				
Sewer surcharge on direct water billings — own municipality	4				
— other municipalities	5				
Subtotal	6	100,280,379		42,719,088	57,561,291
Payments in lieu of taxes					
Canada	7	810,989			810,989
Canada enterprises	8	92,259			92,259
Ontario					
The Municipal Tax Assistance Act	9	473,216			473,216
The Municipal Act, section 160	10	565,275			565,275
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	1,336,063		615,220	720,843
Ontario Hydro	13	559,563			559,563
Liquor Control Board of Ontario	14	140,552			140,552
Other	15				
Municipal enterprises	16				
Other municipalities and enterprises	17	1,629,658		362,055	1,267,603
Subtotal	18	5,607,575		977,275	4,630,300
Ontario unconditional grants					
Per household general	19	1,280,400			1,280,400
Per household police	20	2,134,000			2,134,000
Per household density	21				
Transitional and special assistance	22				
Resource equalization	23				
General support	24	4,449,604			4,449,604
Northern special support	25	13,348,813			13,348,813
Apportionment guarantee	26				
Revenue guarantee	27	5,503,842			5,503,842
Subtotal	28	26,716,659			26,716,659
Revenues for specific functions					
Ontario specific grants	29	26,414,560			26,414,560
Canada specific grants	30	37,597			37,597
Other municipalities—grants and fees	31	210,144			210,144
Fees, service charges and donations	32	14,522,960			14,522,960
Subtotal	33	41,185,261			41,185,261
Other revenue					
Trailer revenue and licences	34				
Licences and permits	35	765,231			765,231
Fines	37	542,262			542,262
Penalties and interest on taxes	38	504,020			504,020
Investment income—from own funds	39				
—other	40	2,168,894			2,168,894
Sale of publications, equipment, etc.	42	94,063			94,063
Contributions from capital fund	43	17,186			17,186
Contributions from reserves and reserve funds	44	1,580,900			1,580,900
Contributions from non consolidated entities	45				
Settlement of Legal Dispute	46	786,444			786,444
Other	47	67,602			67,602
	48				
Sale of land	49				
Subtotal	50	6,526,602			6,526,602
Total revenue	51	180,316,476		43,696,363	136,620,113

ANALYSIS OF TAXATION

for the year ended December 31, 1987

Municipality: City of Thunder Bay

2LT

	For computer use only	LOCAL TAXABLE ASSESSMENT residential and farm	LOCAL TAXABLE ASSESSMENT commercial and industrial	LOCAL TAXABLE ASSESSMENT business	MILL RATES residential and farm	MILL RATES commercial industrial and business	TAXES LEVIED residential and farm	TAXES LEVIED commercial and industrial	TAXES LEVIED business	SUPPLEMENTARY TAXES residential and farm	SUPPLEMENTARY TAXES commercial and industrial	SUPPLEMENTARY TAXES business	TOTAL TAXES total columns 6 to 11
		1 $	2 $	3 $	4	5	6 $	7 $	8 $	9 $	10 $	11 $	12 $
I. Own purposes													
(a) Levied by mill rate													
General	0101	134,806,226	86,957,958	33,370,760	121.050	142.410	16,318,293	12,383,683	4,752,330	97,779	168,161	173,673	33,893,919
police villages at reduced rates	0102												
farms at reduced rates	0103												
	01												
	01												
Special area rates and police villages													
Garbage	01	134,806,226	86,957,958	33,370,760	8.970	10.550	1,209,213	917,409	352,063	7,286	13,478	13,347	2,512,796
Street Lighting	01	125,764,899	86,486,425	33,192,995	4.560	5.260	573,485	463,567	177,915	3,514	6,606	6,511	1,231,598
Public Transportation	01	120,520,858	86,439,459	33,177,840	17.090	20.110	2,066,536	1,738,298	667,207	12,124	23,557	23,870	4,531,592
Sewage & Drainage	01	118,896,568	77,904,009	28,656,675	25.980	30.560	3,088,932	2,380,746	875,749	17,873	37,439	36,146	6,436,885
	01												
	01												
						Subtotal levied by mill rate 1	23,256,459	17,883,703	6,825,264	138,576	249,241	253,547	48,606,790
(b) Other charges on tax bills					Share of telephone and telegraph taxation 01210 2			332,497					332,497
					Local improvements 01220		567,806						567,806
					Sewer and water service charges 01230								
					Sewer and water connection charges 01240								
					Fire service charges 01250								
					Minimum tax (differential only) 01260								
					Municipal drainage charges 01270								
					Garbage collection charges 01280								
					Business improvement area 01290				213,019			8,152	221,171
					01300								
					Subtotal special charges on tax bills 3		567,806	332,497	213,019			8,152	1,121,474
II. Upper tier purposes					Total own purposes taxation 01320 4		23,824,265	18,216,200	7,038,283	138,576	249,241	261,699	49,728,264
(a) Levied by mill rate													
General	02010												
Special purposes													
	02												
	02												
	02												
	02												
						Subtotal levied by mill rate 5							
(b) Other charges on tax bills					Share of telephone and telegraph taxation 02210 6								
					Local improvements 02220								
					Sewer and water service charges 02230								
					Sewer and water connection charges 02240								
					Fire service charges 02250								
					02300								
					Subtotal special charges on tax bills 7								
III. School board purposes					Total upper tier taxation 02320 8								
Elementary public													
	03	95,765,551	71,801,773	28,096,580	81.970	96.430	7,849,902	6,923,845	2,709,353	52,802	104,880	102,657	17,743,439
	03												
					Share of telephone and telegraph taxation 03210 9			134,516					134,516
					Subtotal elementary public 10		7,849,902	7,058,361	2,709,353	52,802	104,880	102,657	17,877,955
Elementary separate													
	04	39,040,675	15,156,185	5,274,180	81.970	96.430	3,200,164	1,461,511	508,589	13,586	12,389	16,599	5,212,838
	04												
						Subtotal elementary separate 11	3,200,164	1,461,511	508,589	13,586	12,389	16,599	5,212,838
Secondary public													
	05	95,765,551	71,801,773	28,096,580	69.670	81.960	6,671,985	5,884,873	2,302,796	44,721	84,796	85,229	15,074,400
	05												
					Share of telephone and telegraph taxation 05210 12			123,351					123,351
					Subtotal secondary public 16		6,671,985	6,008,224	2,302,796	44,721	84,796	85,229	15,197,751
Secondary separate													
	07	39,040,675	15,156,185	5,274,180	69.670	81.960	2,719,963	1,242,201	432,272	11,516	10,530	14,062	4,430,544
	07												
						Subtotal secondary separate 17	2,719,963	1,242,201	432,272	11,516	10,530	14,062	4,430,544
						Total all school board taxation 06320 14	20,442,014	15,770,297	5,953,010	122,625	212,595	218,547	42,719,088

ANALYSIS OF CURRENT REVENUE
FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1987

Municipality: CITY OF THUNDER BAY

3
7

		Ontario specific grants	Canada grants	other municipalities-grants, fees, and service charges	fees, service charges and donations
		1 $	2 $	3 $	4 $
General government	1	17,968		4,733	334,225
Protection to persons and property					
Fire	2				
Police	3		(3,307)		73,946
Conservation authority	4				
Protective inspection and control	5	9,635			150,640
Emergency Measures Organization	6	738	2,282	18,050	
Subtotal	7	10,373	(1,025)	18,050	224,586
Transportation services					
Roadways	8	1,570,884			94,043
Winter control	9	501,349			
Transit	10	2,227,919			2,642,849
Parking	11				1,143,380
Street lighting	12				
Air transportation	13				
Marinas	14				135,212
Subtotal	15	4,300,152			4,015,484
Environmental services					
Sanitary sewer system	16				14,103
Storm sewer system	17				
Waterworks system	18				13,686
Garbage collection	19				7,366
Garbage disposal	20				466,660
Pollution control	21				
	22				
Subtotal	23				501,815
Health services					
Public health services	24	2,808,614	5,474	155,199	9,416
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				114,403
	29				
Subtotal	30	2,808,614	5,474	155,199	123,819
Social and family services					
General assistance	31	7,652,082	200		36,545
Assistance to aged persons	32	9,517,447			4,948,247
Assistance to children	33	200,123			1,143
Day nurseries	34	1,120,158			365,492
Assistance to Physically Disabled	35	328,136			
Subtotal	36	18,817,946	200		5,351,427
Recreation and cultural services					
Parks and recreation	37	74,762	2,500		3,245,059
Libraries	38	352,049		32,162	166,567
Other cultural	39				1,269
Subtotal	40	426,811	2,500	32,162	3,412,895
Planning and development					
Planning and zoning	41	6,460			75,396
Commercial and industrial	42	17,424	11,108		483,313
Residential development	43	8,812	19,340		
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47	32,696	30,448		558,709
Electricity	48				
Gas	49				
Telephone	50				
Total	51	26,414,560	37,597	210,144	14,522,960

ANALYSIS OF REVENUE FUND EXPENDITURES

for the year ended December 31, 1987

Municipality: CITY OF THUNDER BAY

4

		1 salaries, wages and employee benefits $	2 net long term debt charges $	3 materials, services, rents and financial expenses $	4 transfers to own funds $	5 other transfers $	6 inter-functional transfers $	7 total expenditure $	
General government	1	4,477,830	203,000	2,626,932	1,329,512	3,500	(235,055)	8,405,719	1
Protection to persons and property									
Fire	2	9,817,137	14,219	329,338	373,816		358,817	11,093,327	2
Police	3	11,864,443		1,034,948	672,813		4,678	13,576,882	3
Conservation authority	4					282,271		282,271	4
Protective inspection and control	5	1,070,422		165,302	195,706	900	286	1,432,616	5
EMO and Flood Control	6	93,734		29,662				123,396	6
Subtotal	7	22,845,736	14,219	1,759,250	1,242,335	283,171	363,781	26,508,492	7
Transportation services									
Roadways	8	4,634,879	763,119	2,042,075	1,981,530		(280,485)	9,141,118	8
Winter control	9	743,355		614,232	145,131		1,253	1,503,971	9
Transit	10	6,070,640	45,628	2,462,858	839,225		427	9,418,778	10
Parking	11	464,323	627,173	702,640	488,473		544	2,283,153	11
Street lighting	12	145,559		734,837	387,297		129	1,267,822	12
Air transportation	13								13
Unclassified	14	56,878	76,105	71,070	223,103			427,156	14
Subtotal	15	12,115,634	1,512,025	6,627,712	4,064,759		(278,132)	24,041,998	15
Environmental services									
Sanitary sewer system	16	1,131,351	2,220,989	2,043,762	593,000		64,930	6,054,032	16
Storm sewer system	17		696,404		518,684			1,215,088	17
Waterworks system	18	2,612,637	1,955,739	1,611,552	945,485		(292,717)	6,832,696	18
Garbage collection	19	1,621,812		424,065	238,847		982	2,285,706	19
Garbage disposal	20	399,951		270,560	52,494		170	723,175	20
Pollution control	21					14,925		14,925	21
	22								22
Subtotal	23	5,765,751	4,873,132	4,349,939	2,348,510	14,925	(226,635)	17,125,622	23
Health services									
Public health services	24	2,868,739		580,966	2,950	213,478	861	3,666,994	24
Public health inspections and control	25								25
Hospitals	26		41,730					41,730	26
Ambulance services	27								27
Cemeteries	28	261,668		51,634	4,493		1,724	319,519	28
	29								29
Subtotal	30	3,130,407	41,730	632,600	7,443	213,478	2,585	4,028,243	30
Social and family services									
General assistance	31	2,618,066		961,069	165,800	6,730,878	2,128	10,477,941	31
Assistance to aged persons	32	14,198,052	53,150	2,486,247	247,138	756	268,724	17,254,067	32
Assistance to children	33	152,768		95,762		792,589		1,041,119	33
Day nurseries	34	888,217		878,173	18,517		1,158	1,786,065	34
Assistance to Physically Disabled	35					454,730		454,730	35
Subtotal	36	17,857,103	53,150	4,421,251	431,455	7,978,953	272,010	31,013,922	36
Recreation and cultural services									
Parks and recreation	37	7,465,570	281,774	3,490,073	2,151,132	62,663	84,718	13,535,930	37
Libraries	38	2,374,070	60,413	1,109,365	158,256		13,297	3,715,401	38
Other cultural	39	95,543		50,239		1,247,027		1,392,809	39
Subtotal	40	9,935,183	342,187	4,649,677	2,309,388	1,309,690	98,015	18,644,140	40
Planning and development									
Planning and zoning	41	1,061,446		182,473	2,118		813	1,246,852	41
Commercial and industrial	42	287,440	192,057	1,030,221	361,989		2,618	1,874,325	42
Residential development	43					90,752		90,752	43
Agriculture and reforestation	44					150		150	44
Tile drainage/shoreline assistance	45								45
South Core Revitalization	46		17,968					17,968	46
Subtotal	47	1,348,886	210,025	1,212,696	364,107	90,902	3,431	3,230,047	47
Electricity	48								48
Gas	49								49
Telephone	50								50
Total	51	77,476,530	7,249,468	26,280,057	12,097,509	9,894,619	Nil	132,998,183	51

		8 $
Total of column 2 includes:		
Payments to Ontario in respect of Downtown Revitalization Program loans	81	17,968
Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year)	82	
Interest portion of transit debt charges included on line 10	83	26,138
Total of column 3 includes:		
Ministry of the Environment		
Provincial projects service charges —water	52	
—sewer	53	
Provincial projects frontage and connection charges—water	57	
—sewer	58	
Joint projects operating charges —water	54	
—sewer	55	
O.P.P. policing contracts	56	
Short term interest costs	60	
Total of column 5 includes:		
Grants to charitable and non-profit organizations	62	1,514,644
Grants to universities and colleges	63	60,081
Contributions to UNCONSOLIDATED joint local boards		
Health unit	64	
District welfare board	65	
Home for the aged	66	
Recreation board(s)	67	
Fire area board	68	
Suburban roads commission	69	
.	70	
.	71	
Line 1 of column 7 includes:		
Members of council	72	280,445
Line 51 of column 7 includes:		
Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	73	90,000

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1987

Municipality: City of Thunder Bay

5
9

		1 $
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	(1,678,432)
Sources of financing		
Contributions from own funds		
Revenue fund	2	5,289,696
Reserves and reserve funds	3	3,352,115
Subtotal	4	8,641,811
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	
The Public		
Serial debentures	13	3,150,000
Sinking fund debentures	14	
.	15	
.	16	
.	17	
Subtotal*	18	3,150,000
Grants and loan forgiveness		
Ontario	20	3,738,055
Canada	21	16,940
Other municipalities	22	
Subtotal	23	3,754,995
Other financing		
Prepaid special charges	24	
Proceeds from sale of fixed assets	25	1,075,394
Investment income		
From own funds	26	
Other	27	1,914
Donations/Subscriptions/Contributions	28	177,325
.	30	
.	31	
Subtotal	32	1,254,633
Total sources of financing	33	16,801,439
Applications		
Own expenditures		
Short term interest costs	34	
Other	35	14,131,961
Subtotal	36	14,131,961
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	
Unconsolidated local boards	38	
Individuals	39	
Subtotal	40	
Transfers to reserves, reserve funds and the revenue fund	41	17,186
Total applications	42	14,149,147
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	(4,330,724)
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	(5,316,654)
To be recovered from:		
—taxation or user charges within term of council	45	
—proceeds from long term liabilities	46	985,930
—transfers from reserves and reserve funds	47	
—other (specify)	48	
Total unfinanced capital outlay (unexpended capital financing)	49	(4,330,724)
*amount in line 18 raised on behalf of other municipalities	19	

ANALYSIS OF CAPITAL GRANTS AND OWN EXPENDITURES

for the year ended December 31, 1987

Municipality: City of Thunder Bay

6
10

		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1 $	2 $	3 $	4 $
General government	1	7,500			413,023
Protection to persons and property					
Fire	2	5,000			74,373
Police	3				890,702
Conservation authority	4				
Protective inspection and control	5	2,000			11,757
Emergency Measures Organization	6		7,231		11,460
Subtotal	7	7,000	7,231		988,292
Transportation services					
Roadways	8	2,494,158			5,448,125
Winter control	9				50,631
Transit	10	13,578			343,042
Parking	11				355,020
Street lighting	12				258,388
Air transportation	13				
Public Works Unclassified	14		9,709		145,620
Subtotal	15	2,507,736	9,709		6,600,826
Environmental services					
Sanitary sewer system	16				605,858
Storm sewer system	17	159,339			499,480
Waterworks system	18	159,286			1,199,246
Garbage collection	19				63,747
Garbage disposal	20				114,518
Pollution control	21				
	22				
Subtotal	23	318,625			2,482,849
Health services					
Public health services	24	167,030			205,405
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				4,493
	29				
Subtotal	30	167,030			209,898
Social and family services					
General assistance	31	24,425			173,825
Assistance to aged persons	32	324,116			529,970
Assistance to children	33				
Day nurseries	34				16,117
	35				
Subtotal	36	348,541			719,912
Recreation and cultural services					
Parks and recreation	37	365,151			1,490,381
Libraries	38				299,133
Other cultural	39				156,541
Subtotal	40	365,151			1,946,055
Planning and development					
Planning and zoning	41	16,472			44,440
Commercial and industrial	42				208,716
Residential development	43				517,950
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47	16,472			771,106
Electricity	48				
Gas	49				
Telephone	50				
Total	51	3,738,055	16,940		14,131,961

ANALYSIS OF NET LONG TERM LIABILITIES BY FUNCTION

as at December 31, 1987

Municipality: City of Thunder Bay

7
11

			1 $
General government		1	
Protection to persons and property			
Fire		2	55,960
Police		3	3,150,000
Conservation authority		4	
Protective inspection and control		5	
.		6	
	Subtotal	7	3,205,960
Transportation services			
Roadways		8	2,937,433
Winter control		9	
Transit		10	239,193
Parking		11	1,576,000
Street lighting		12	
Air transportation		13	
. Unclassified Public Works		14	340,847
	Subtotal	15	5,093,473
Environmental services			
Sanitary sewer system		16	12,891,569
Storm sewer system		17	2,775,876
Waterworks system		18	7,346,149
Garbage collection		19	
Garbage disposal		20	
Pollution control		21	
.		22	
	Subtotal	23	23,013,594
Health services			
Public health services		24	
Public health inspections and control		25	
Hospitals		26	
Ambulance services		27	
Cemeteries		28	
.		29	
	Subtotal	30	
Social and family services			
General assistance		31	
Assistance to aged persons		32	94,000
Assistance to children		33	
Day nurseries		34	
.		35	
	Subtotal	36	94,000
Recreation and cultural services			
Parks and recreation		37	1,078,417
Libraries		38	279,000
Other cultural - Community Auditorium		39	1,172,000
	Subtotal	40	2,529,417
Planning and development			
Planning and zoning		41	459,000
Commercial and industrial		42	
Residential development		43	
Agriculture and reforestation		44	
Tile drainage/shoreline assistance		45	
. South Core Revitalization		46	3,972,791
	Subtotal	47	4,431,791
Electricity		48	1,224,000
Gas		49	
Telephone		50	2,370,000
	Total	51	42,462,235

ANALYSIS OF LONG TERM LIABILITIES AND COMMITMENTS

for the year ended December 31, 1987

CITY OF THUNDER BAY

		1 $
1. Calculation of debt burden of the municipality		
All debt issued by the municipality, predecessor municipalities and consolidated entities		
: To Ontario and agencies	1	10,583,602
: To Canada and agencies	2	7,266,997
: To other	3	26,913,836
Subtotal	4	44,764,435
Plus: All debt assumed by the municipality from others	5	
Less: All debt assumed by others		
: Ontario	6	
: Schoolboards	7	78,643
: Other municipalities	8	
Subtotal	9	78,643
Less: Ministry of the Environment debt retirement funds		
—sewer	10	1,600,870
—water	11	853,707
Own sinking funds (actual balances)		
—general municipal	12	
—enterprises and other	13	
Subtotal	14	2,353,577
Total	15	42,462,235
Sinking fund debentures	16	
Installment (serial) debentures	17	37,853,971
Long term bank loans	18	
Lease purchase agreements	19	
Mortgages	20	
Ministry of the Environment	22	535,140
Ministry of Housing - Loan re McVicar's Creek Culvert	23	100,333
Ministry of Housing - Downtown Revitalization	24	3,972,791
		42,462,235

		$
2. Total debt payable in foreign currencies (net of sinking fund holdings)		
U.S. dollars—Canadian dollar equivalent included in line 15 above	25	5,656,000
—par value of this amount in U.S. dollars	26	5,656,000
Other —Canadian dollar equivalent included in line 15 above	27	
—par value of this amount in _____	28	

		$
3. Interest earned on sinking funds and debt retirement funds during the year		
Own funds	29	
Ministry of the Environment—sewer	30	137,687
—water	31	82,758

		$
4. Actuarial balance of own sinking funds at year end	32	

		$
5. Long term commitments and contingencies at year end		
Total liability for accumulated sick pay credits	33	6,274,000
Total liability under OMERS plans		
—initial unfunded (payable over 11 years) (number of employees 371)	34	6,506,000
—actuarial deficiency (payable over ____ years)	35	
Total liability for own pension funds		
—initial unfunded (payable over ____ years) (number of employees ____)	36	
—actuarial deficiency (payable over ____ years)	37	
Outstanding loans guaranteed (payable over ____ years)	38	
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board		
—hospital support	39	
—university support	40	
—leases and other agreements	41	
Other (specify) .	42	
:	43	
:	44	
Total	45	12,780,000

6. Ministry of the Environment Provincial Projects

		1 accumulated surplus (deficit) $	2 total outstanding capital obligation $	3 debt charges $
Water projects —for this municipality only	46			
—share of integrated project(s)	47			
Sewer projects —for this municipality only	48			
—share of integrated project(s)	49			

7. 1987 Debt Charges

		1 principal $	2 interest $
Recovered from the consolidated revenue fund			
—general tax rates	50	573,739	366,678
—special area rates and special charges	51	1,306,879	1,827,870
—benefitting landowners	52	188,802	347,380
—user rates (consolidated entities)	53	1,392,631	1,235,909
Recovered from reserve funds	54	14,333	
Recovered from unconsolidated entities			
—hydro	55	120,990	173,889
—[illegible] telephone	57	279,000	275,138
—	56		
—	58		
—	59		
Total	78	3,875,184	4,238,644

8. Future principal and interest payments on existing net debt

		recoverable from the consolidated revenue fund		recoverable from reserve funds		recoverable from unconsolidated entities	
		principal	interest	principal	interest	principal	interest
		1 $	2 $	3 $	4 $	5 $	6 $
1988	60	3,972,778	3,738,183	14,333		442,000	407,105
1989	61	4,399,984	3,236,863	14,333		492,000	357,815
1990	62	3,397,566	2,756,284	14,333		546,000	302,836
1991	63	3,390,505	2,373,452	14,333		333,000	241,679
1992	64	2,830,201	2,030,237	14,333		365,000	209,282
1993-1997	65	21,085,707	6,044,083	28,668		1,916,000	467,349
1998 onwards	79	5,217,370	2,790,440				
Interest to be earned on sinking funds*	69						
Downtown revitalization program	70	3,972,791					
Total	71	38,267,902	22,969,542	100,333		4,094,000	1,986,066

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on expected new debt

		1 $
1988	72	
1989	73	161,501
1990	74	702,646
1991	75	985,429
1992	76	1,244,966
Total	77	3,094,541

10. Other notes (attach supporting schedule as required)

Debt Payable in Foreign Currencies

(a) The Canadian dollar equivalent at December 31, 1987, using the rate of exchange in effect at the time of each U.S. debenture issue is $5,731,395, a difference of $75,395 from the par value in U.S. dollars. The net long term liabilities as shown on Schedules 7, 8, and 11 have not been restated to reflect this difference.

(b) The Canadian dollar equivalent at December 31, 1987, using the rate of exchange in effect as at December 31, 1987 is $7,352,000. The exchange premium is funded from a reserve fund set up for this purpose together with a contribution from the revenue fund.

CONTINUITY OF UPPER TIER AND SCHOOL BOARD LEVIES

for the year ended December 31, 1987

Municipality: CITY OF THUNDER BAY

9LT 13

UPPER TIER		balance at beginning of year	amounts requisitioned	supplementary taxes	total expended	amount levied	telephone and telegraph taxation	share of Provincial grants	share of payments in lieu of taxes	other	total raised	balance at end of year	
		1 $	2 $	3 $	4 $	5 $	6 $	8 $	9 $	10 $	12 $	11 $	
Included in general mill rate for upper tier purposes													
General requisition	1												
Special purpose requisitions													
Water rate	2												
Transit rate	3												
Sewer rate	4												
Library rate	5												
Road rate	6												
.	7												
.	8												
.	9												
.	10												
Sub total levied by mill rate—general	11												11
Special purpose requisitions													
Water	12												
Transit	13												
Sewer	14												
Library	15												
.	16												
.	17												
Sub total levied by mill rate—special areas	18												18
Special charges	19												19
Direct water billings	20												20
Sewer surcharge on direct water billings	21												21
Total region or county	22												22

SCHOOL BOARDS		balance at beginning of year	amounts requisitioned	supplementary taxes	pupils' fees, share of trailer licences	total expended	amount levied	telephone and telegraph taxation	share of payments in lieu of taxes	pupils' fees, share of trailer licences	total raised	balance at end of year	
		1 $	2 $	3 $	4 $	5 $	6 $	7 $	8 $	9 $	10 $	11 $	
Elementary public	23	13,182	18,061,587	260,339		18,321,926	17,743,439	134,516	437,441		18,315,396	6,652	
.	24												
.	25												
.	26												
.	27												
Elementary separate	28	3,131	5,255,395	42,574		5,297,969	5,212,838		83,986		5,296,824	1,986	
.	29												
.	30												
.	31												
Secondary public	32	(5,205)	15,348,623	214,746		15,563,369	15,074,400	123,351	384,464		15,582,215	13,641	
.	33												
.	34												
.	35												
Secondary separate	37	-	4,455,250	36,108		4,491,358	4,430,544		71,384		4,501,928	10,570	
.	38												
.	39												
.	40												
Total school boards	36	11,108	43,120,855	553,767		43,674,622	42,461,221	257,867	977,275		43,696,363	32,849	36

CONTINUITY OF RESERVES AND RESERVE FUNDS

for the year ended December 31, 1987

Municipality: CITY OF THUNDER BAY

10
15

				1 $
Balance at beginning of year			1	33,297,650
Revenues				
Contributions from revenue fund			2	6,807,813
Contributions from capital fund			3	
Lot levies and subdivider contributions			60	
Recreational land (the Planning Act)			61	183,108
Investment income—from own funds			5	
—other			6	2,556,494
Provincial Grant			9	13,000
Contribution from: Community Auditorium			10	73,597
Telephone			11	53,220
Hydro			12	71,042
		Total revenue	13	9,758,274
Expenditures				
Transferred to capital fund			14	3,352,115
Transferred to revenue fund			15	1,580,900
Charges for long term liabilities—principal and interest			16	14,333
Municipal Portion of Severance Plan Payments			63	5,183
Exchange on U.S. Debentures			20	399,503
Other: Insurance Claims	83,934		21	200,934
Contribution to Telephone	98,000	**Total expenditure**	22	5,552,968
Economic Development	19,000			
	200,934			
Balance at end of year for:				
Reserves			23	5,972,519
Reserve Funds			24	31,530,437
		Total	25	37,502,956
analysed as follows:				
Working funds			26	4,300,000
Contingencies			27	
Ministry of the Environment fund for renewals, etc.				
—sewer			28	
—water			29	159,733
Replacement of equipment			30	1,347,144
Sick leave			31	5,619,599
Insurance			32	5,003,316
Workmen's compensation			33	
Capital expenditure—general administration			34	4,182,302
—roads			35	1,677,393
—sanitary and storm sewers			36	2,022,015
—parks and recreation			64	2,134,330
—library			65	
—other cultural			66	
—water			38	
—transit			39	774,937
—housing			40	
—industrial development			41	110,994
—other and unspecified			42	570,240
Lot levies and subdivider contributions			44	
Recreational land (the Planning Act)			46	1,520,779
Parking revenues			45	63,136
Debenture repayment			47	5,755,256
Exchange rate stabilization			48	687,099
Waterworks current purposes			49	
Transit current purposes			50	
Library current purposes			51	117,200
Benefit Rate Stabilization			52	1,287,308
Health Unit Severance Plan Allowance			53	85,065
Economic Development			54	85,110
			55	
			56	
			57	
		Total	58	37,502,956

ANALYSIS OF CONSOLIDATED YEAR END BALANCES
as at December 31, 1987

Municipality: CITY OF THUNDER BAY

11 16

		1 $	2 $
ASSETS			portion of cash not in chartered banks
Current assets			
Cash	1	28,408,785	
Accounts receivable			
Canada	2	43,635	
Ontario	3	6,615,284	
Region or county	4		
Other municipalities	5	4,739	
School boards	6	251,530	portion of taxes
Waterworks	7	2,147,517	recrivable for
Other (including unorganized areas)	8	7,197,541	business taxes
Taxes receivable			
Current year's levies	9	2,274,567	296,746
Previous year's levies	10	786,232	36,323
Prior years' levies	11	91,089	24,602
Penalties and interest	12	185,574	18,742
Less allowance for uncollectables	13	(359,462)	(155,462)
Investments (market value $			
Canada	14		
Provincial	15		
Municipal	16		
Other	17		portion of line 20
Other current assets	18	2,429,575	for tax sale/tax
Capital outlay to be recovered in future years	19	42,462,235	registration
Other long term assets	20	243,031	302,141
Total	21	92,781,872	
LIABILITIES			portion of loans not from chartered banks
Current liabilities			
Temporary loans—current purposes	22		
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26		
Ontario	27		
Region or county	28		
Other municipalities	29		
School boards	30		
Trade accounts payable	31	11,305,828	
Other	32		
Other current liabilities	33	506,625	
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	12,822,708	
—special area rates and special charges	35	13,379,639	
—benefitting landowners	36	2,904,213	
—user rates (consolidated entities)	37	9,161,342	
Recoverable from Reserve Funds	38	100,333	
Recoverable from unconsolidated entities	39	4,094,000	
Less: Own holdings	40	(12,304,500)	
Reserves and reserve funds	41	37,502,956	
Accumulated net revenue (deficit)			
General revenue	42	4,449,765	
Special charges and special areas (specify) Business Improvement Area		5,304	
Local Improvement Pre-Levies	43	546,060	
Special Areas-Garbage Collection and Disposal	44	(58,396)	
-Street Lighting	45	30,842	
-Sewage and Drainage	46	(210,607)	
-Public Transportation		458,771	
Consolidated local boards (specify)			
Transit operations	47		
Water operations	48	3,691,431	
Libraries	49	24,026	
Cemeteries	50		
Recreation, community centres and arenas	51		
Thunder Bay District Health Unit	52	7,959	
	53		
	54		
	55		
Region or county	56		
School boards	57	32,849	
Unexpended capital financing/(unfinanced capital outlay)	58	4,330,724	
Total	59	92,781,872	

1. Number of continuous full time employees as at December 31

		1
Administration	1	77
Non-line Departmental Support Staff	2	167
Fire	3	207
Police	4	240
Transit	5	133
Public Works	6	282
Health Services - Thunder Bay District Health Unit	7	72
Homes for the Aged	8	514
Other Social Services	9	111
Parks and Recreation	10	169
Libraries	11	65
Planning	12	47
Emergency Measures	13	2
Total		1,887

2. Total expenditures during the year on:

		1 continuous full time employees December 31 $	2 Other $
Wages and salaries	14	77,754,652	
Employee benefits	15	10,886,000	

3. Reductions of tax roll during the year (lower tier municipalities only)

		1 $
Cash collections: Current year's tax	16	88,714,733
Previous years' tax	17	2,453,919
Penalties and interest	18	491,313
Subtotal	19	91,659,965
Discounts allowed	20	
Tax adjustments under section 362 and 363 of the Municipal Act —amounts added to the roll	22	( )
—amounts written off	23	
Tax adjustments under sections 465, 495 and 496 of the Municipal Act —recoverable from upper tier and school boards	24	675,664
—recoverable from general municipal revenues	25	801,782
Transfers to tax sale and tax registration accounts	26	55,499
The Municipal Elderly Residents' Assistance Act—reductions	27	
—refunds	28	
Other (specify)	80	
Total reductions	29	93,192,710
Amounts added to the tax roll for collection purposes only	30	20,980
Business taxes written off under subsection 495 (1) of the Municipal Act	81	47,123

4. Tax due dates for 1987 (lower tier municipalities only)

			1
Interim billings:	Number of installments	31	2
	Due date of first installment (MMDDYY)	32	02/18/87
	Due date of last installment (MMDDYY)	33	04/16/87
Final billings:	Number of installments	34	2
	Due date of first installment (MMDDYY)	35	07/03/87
	Due date of last installment (MMDDYY)	36	10/01/87
Supplementary taxes levied with 1988 due date		37	$ -0-

5. Projected capital expenditures and long term financing requirements as at December 31

		gross expenditure	long term financing requirements: approved by the O.M.B.	submitted but not yet approved by the O.M.B.	forecast not yet submitted to the O.M.B.
		1 $	2 $	3 $	4 $
Estimated to take place In 1988	58	47,720,500	5,556,500		15,915,500
In 1989	59	36,022,100	2,091,606	200,000	7,070,000
In 1990	60	33,791,100			5,200,000
In 1991	61	27,067,700			2,400,000
In 1992	62	29,597,300			4,100,000
Total	63	174,198,700	7,648,106	200,000	39,685,500

		1 balance in fund $	2 loans outstanding $
6. Ontario Home Renewal Plus trust fund at year end	82	1,000,099	771,270

7. Analysis of direct water and sewer billings as at December 31

water

		number of residential units	1987 billings: residential units	1987 billings: all other properties	
		1	2 $	3 $	4
In this municipality	39	32,773	4,785,000	3,048,027	
In other municipalities (specify municipality)					
.	40				
.	41				
.	42				
.	43				
.	64				

sewer

		number of residential units	1987 billings: residential units	1987 billings: all other properties
		1	2 $	3 $
In this municipality	44			
In other municipalities (specify municipality)				
.	45			
.	46			
.	47			
.	48			
.	65			

		water 1	sewer 2
Number of residential units in this municipality receiving municipal water and sewer services but which are not on direct billing	66		

8. Selected investments of own sinking funds as at December 31

		own municipality	other municipalities, school boards	Province	Federal
		1 $	2 $	3 $	4 $
Own sinking funds	83				

9. Borrowing from own reserve funds

		1 $
Loans or advances due to reserve funds as at December 31	84	

10. Joint boards consolidated by this municipality

		total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
		1 $	2 $	3 %	4
name of joint boards					
· Emergency Measures	53	82,691	60,850	77.12	
· Thunder Bay District Health Unit	54	3,452,699	542,301	77.75	
.	55				
.	56				
.	57				

11. Applications to the Ontario Municipal Board

		tile drainage, shoreline assistance, downtown revitalization, electricity, gas, telephone	other	total
		1 $	2 $	3 $
Approved but not financed as at Dec. 31, 1986	67	7,984,000	3,619,860	11,603,860
Approved in 1987	68		2,642,706	2,642,706
Financed in 1987	69	3,016,000	3,150,000	6,166,000
No long term financing necessary	70		3,737	3,737
Balance approved but not financed as at Dec. 31, 1987	71	4,968,000	3,108,829	8,076,829
Applications submitted but not approved as at December 31, 1987	72		200,000	200,000

12. Forecast of total revenue fund expenditures

		1988	1989	1990	1991	1992
		1 $	2 $	3 $	4 $	5 $
	73	139,668,000	146,630,300	153,962,000	161,660,000	169,743,000

159.

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

To The Ministry of
Municipal Affairs

We have examined grant information schedule 13 of the Financial Information Return of The Corporation of The City of Thunder Bay for the year ended December 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs and Housing for the year 1987.

Thunder Bay, Canada
April 12, 1988

Thorne Ernst & Whinney
Chartered Accountants
Licence No. 1086

Clarkson Gordon
Chartered Accountants
Licence No. 001217

GRANT INFORMATION

for the year ended December 31, 1987

Municipality: CITY OF THUNDER BAY

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ANALYSIS OF REVENUE FUND REVENUES

1

Note: Upper tiers use column 4 only.

		upper tier purposes 2 $	own purposes 4 $
Taxation			
Direct water billings on ratepayers - own municipality	2		7,833,027
Sewer surcharge on direct water billings - own municipality	4		
Payments in lieu of taxes			
Subtotal	18		4,630,300

2LT

ANALYSIS OF TAXATION

LOCAL TAXABLE ASSESSMENT

I. Own purposes (a) Levied by mill rate		residential and farm 1 $	commercial and industrial 2 $	business 3 $
General	30	134,806,226	86,957,958	33,370,760
police villages at reduced rates	31			
farms at reduced rates	32			

TAXES LEVIED

		commercial and industrial 7 $	business 8 $	total 12 $
Subtotal levied by mill rate	1	17,883,703	6,825,264	
Share of telephone and telegraph taxation	2			332,497
Total own purposes taxation	4			49,728,264
II. Upper tier purposes				
Subtotal levied by mill rate	5			
share of telephone and telegraph taxation	6			
Total upper tier taxation	8			

5

ANALYSIS OF CAPITAL OPERATIONS

		1 $
Other financing		
Prepaid special charges	24	-